

VAMPIRES
TAKE OVER
THE BIG SCREEN

Maclean's

CLINTON AND CANADA

Will His Agenda
For Change
Disrupt Traditional
Ottawa-Washington Ties?

How He Will Govern



Ultimately, there's Black.

Maclean's

CANADA'S WEEKLY NEWSMAGAZINE NOVEMBER 11, 1992 VOL. 30 NO. 46

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COVER

CLINTON AND CANADA

Bill Clinton's victory may place the United States and Canada on a collision course in several areas, particularly over the North American Free Trade Agreement (NAFTA), in which the president-elect has said he wants supplementary agreements. Clinton also wants to increase taxes on foreign, including Canadian, firms with operations in the United States.

—30

FILMS

THE VAMPIRE VOGUE

Hollywood has rediscovered vampirism—a bad does indeed drive this year's best film theme. In the latest, Tom Stuber's Dracula, director Francis Coppola resurrects the dark prince on a tragic hero. Operatic, comic and sexy, the movie both restores and overbakes Fisher's Gothic vision.

—66



WORLD

STREETS OF FURY

After a year of shock therapy, Russia shows few signs of emerging from economic chaos. At the same time, on the 75th anniversary of the Bolshevik Revolution, President Boris Yeltsin is facing a new threat in the Caucasus: the first serious outbreak of ethnic warfare on his territory.

—36





Rise Of The Baby Boomers

The boom began across the United States—indeed, across North America—last week was the sound of forty-year-olds seizing control of the White House and preparing to set the agenda, tastes and style of an America entering the 21st century. Historians have often noted that John F. Kennedy brought the junior officers of the Second World War to the White House. Now, baby boomers Bill Clinton and Al Gore have brought the generation shaped by the Vietnam War, avoiding fighting it, or witnessing it, in the heights of power in Washington, America, and perhaps, the world has changed profoundly and permanently. It remains for Clinton to unveil the implementation plans for his new policies before Americans can begin to assess the magnitude of the changes that they have wrought.

In fact, the situation is like any other. Delivering on promises will be especially difficult for Clinton because expectations are so high and because he has passed many of his most attractive programs only to breast-bomb critics. One new thing, he has promised large-scale public investment in the country's infrastructure to create jobs and economic activity to end a brutal recession. But as Washington Post's Chief Policy Writer and Editor Patricia Clark Wood points out in this week's cover package, anyone expecting an economic quick fix is certain to be disappointed. It will take at least a year to get an assessment program and it will likely be sharply limited in scope because of a lagging concern over increasing the size of the national debt. The same kinds of structures will apply to Clinton's ambitious plans for national health insurance and for universally available university education.

Still, Clinton has shown an extraordinary capacity for communicating directly and effectively with the American people. If that style sustains him and if he avoids becoming a prisoner of the White House, the odds of his carrying the voters with him on a remarkable two-year journey are excellent.

Karen Hays



Wood, Maclean: anyone expecting an economic quick fix will be disappointed

Maclean's

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**BACARDI STANDS OUT
IN THE DARK.**

**SAVOUR THE
EXCEPTIONALLY
SMOOTH
TASTE OF THE
CARIBBEAN.**

**BACARDI
DARK RUM.**

LETTERS

A lesson for politicians

I found it refreshing to finally read an article on the constitutional debate that made an effort to examine the real reasons underlying Canadians' rejection of the Charlottetown agreement ("Why Canadians voted No," *Globe*, Nov. 2). The deal was a bad one for Canada. Most of the accord's provisions were hastily slapped together because of a looming deadline and left too much for future interpretation by the courts. Overlay this with proposed seceding formulas that gave Quebec and aboriginal groups veto over the most contentious issues at the accord and I believe the Canadian public voted with their heads. The politicians are guilty of spending millions of our tax dollars to win Yes votes with empty, emotional appeals to the heart instead of intelligent arguments directed at the minds of Canadians. The message: Do not underestimate the intelligence of the average Canadian.

Jeffrey Clay
Vancouver

Maclean's boasts an impressive list of editors, writers, hosts, chefs, researchers and commentators and I wrote in anticipation for the coverage, analysis and insight this team would provide in the special post-referendum issue. I was very disappointed when out of my studies course, "A. Maclean's/Globe's poll on why Canadians voted No." We have already been polled to within an inch of the life of our country. In the wake of such a recent referendum result, what possible good could come of yet another poll? Canadians took a chance and took a stand in the referendum, gave it a time for parliament and editors to take a stand in the referendum's wake.

James Johnson
Montreal

Canadians must be the laughingstock of the world. Who else would allow politicians to spend tens of millions of our own dollars so that we could tell them that we are not following their lead? As strong supporters of the accord, I am bitterly disappointed by the failure of the best minds in all the federalist parties in the country to come up with a strategy to convince Canadians of its merits. In setting a deadline to take to the people, Quebec set the trap and Prime Minister Jean Charest and the rest of the political brass led us. From the wording of the question, they must have been convinced that Canadians outside Quebec would go far in the lead, saying "well done so far," demonstrating to Quebecers that we want them to remain part of Canada. In more honorable times, failure to lead would denote negligence. However, since few will voluntarily bow out,



Focus on referendum day: 'do not underestimate the intelligence of Canadians'

they must grasp the only element of the accord that has widespread support, and give the First Nations of this land the place at the table they so rightly deserve.

Edward O'Neill
Toronto, Ont.

In the referendum aftermath, I cannot believe your statistics, at least as far as British Columbia is concerned. I am a chartered accountant with clients of above average intelligence, above average income and above average age. I did not find among them even a handful who voted Yes to the terribly flawed proposed Constitution. In our frequent discussions, inevitably we would begin with "The U.S. Constitution says all men are created equal," but my proposed Constitution's opening statement made it clear that all people were not created equal. As one of my astounded friends said, it was a bunch of socialist, collectivist nonsense.

Louise Sack
Rice, Vancouver

What next, Pierre?

I am eagerly looking forward to seeing Maclean's next issue. This should be the one in which Pierre Trudeau tells us what to do next. The first part was so easy.

Edward W. Barrett
Montreal

In reading your Nov. 2 issue on the referendum, I was surprised by the negative nature of the commentary. Perhaps this was justified, but the referendum did indeed stir up passions against government, against rural sectors and

against the weakening of Canada. However, there were positive aspects to the No vote. In discussion groups I attended, I was struck by the number of thoughtful persons who had a cautious, almost hesitant view of being Canadian. To them, cultural and historical differences could still be maintained and respect of ethnic such a Canadian framework, without being stamped forever in the Constitution. I would hope that political leaders and the media could now focus on such positive aspects so that a new vision of Canada can emerge over time, and under which historical differences may disappear.

John Thompson
Victoria

Two events, one cover

A week long, I have been running to the mallhouse atop the New. I saw a lot of people. When my trip arrived, I was more than a little disappointed to see an ominous red No glaring up at me. In the top corner there was a tiny triangle with a picture of the Blue Jays. I understood that your magazine desires a political front end, granted, it was slightly inaccurate for the World Series and the referendum to have occurred so close together. However, sporting events have always been political as well and I have to question the way in which you misrepresents the Blue Jays' victory in order to display the No vote as the triumphant. Did you flip a coin when you chose the cover, or do you simply Canadians did when they decided how to vote? In the course of one week, a baseball team was able to do what countless politicians have not been capable of since Canada was conceived—with Canadians. For this, the Blue Jays deserve to be applauded from coast to coast.

Paula Schick
Windsor, Ont.



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Maclean's
CANADA'S WEEKLY NEWSMAGAZINE

LETTERS

Deploping a tragedy

I take strong exception to the closing words of your article on the mine explosion at Yellowknife ("The best for a killer," Canada, Oct. 14), in which you wrote that the perpetrators of the explosion have "tragically reinvented the rules on labor disputes in Canada." That is like saying that in the wake of an accident in which a former employee returns to Mac's supervisors and co-workers with a shotgun, a protocol has been set, and in the future this must be considered one of the options open to those seeking redress for wrongful dismissal. The alleged multiple murder at Yellowknife has been repudiated and deplored by everyone on either side of the labor dispute. Canadians in general, and readers of *Maclean's* in particular, should be clear on this, an isolated act of criminal violence remains just that. It does not change the rules.

Wendy Mosselin,
100 Mile House, B.C.

Tired of twaddle

Regarding Allen Fotheringham's column "The cruel pleasures of a lost weekend," *Column*, Special Issue, Oct. 15: Fotheringham has become as inane as a certain TV quiz show that he appears on. What self-indulgent and idiotic twaddle.

James M. Enns,
Victoria

Not with a bang?

Your cover story in the Oct. 11 issue was not an explosion but a dud ("Secrets from the back room"). Why you wasted seven pages on this story is beyond me. As a long-term subscriber, I expect better stuff from *Maclean's*. The only point of interest was the textbook analysis of the results of the Election Expenses Act. Another example of how Canadian politicians look after themselves with taxpayer's money and incidentally add to the deficit.

John P. Syer,
Edmonton

The RU486 option

As a longtime believer in the pro-choice movement, I was rather upset when I came across your article on the Porac drug RU486, which can quickly and safely induce abortion: it works up to the ninth week of pregnancy ("Morning-after 'help,'" *Medicine*, Oct. 18). My dismay does not arise from the existence of such a drug, but rather from the fact that it has not been approved for sale in



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GOLDHAWK FIGHTS BACK

Tuesday and Thursday

CTV



INVEST IN A MIRACLE

ON
TUESDAY
DECEMBER 9

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GAPPALENDI BILBOO NOTED WITH
SANDWICH PINEAPPLES ALL RIGHTS
THAT DAY'S GIVING WAS TO THE
CITY OF MONTREAL

WOOD GUNDY'S
9TH ANNUAL
CHILDREN'S MIRACLE
A NATIONAL FUNDRAISING
EFFORT DEDICATED TO
CHILDREN'S CHARITIES
ACROSS CANADA

THE
MONTREAL
MIRACLE
WAS
HOLDING
ON
TUESDAY
DECEMBER
9TH



WOOD GUNDY'S CHILDREN'S MIRACLE
FOR THE 9TH YEAR
PUBLISHED FOR THE
MONTREAL MIRROR

LETTERS

Canada. The decision to end a pregnancy is often a very difficult but unavoidable one. Why add to a woman's troubles by forcing her to undergo the trauma and humiliation of a clinical abortion when RU486 is obviously a better choice? The sooner this drug is approved in Canada the better. As controversial as it may be, we must realize that abortions have gone on for years and will continue in the future. The best we can hope for is to make them as safe and painless as possible for the women involved.

Believe Malady,
Nelson, Ont.

How ironic. In your story on the drug RU486, which induces menstruation, you chose to adorn the page with a photo of a young woman dressed in suggestive lingerie. While the article speaks of the struggle to bring RU486 into the country, allowing Canadian women more control over their bodies, the photo reduces and objectifies women. As women try to advance in all aspects of society, medical or otherwise, the picture ensures that we are held back.

Sharon K. Powell,
London, Ont.

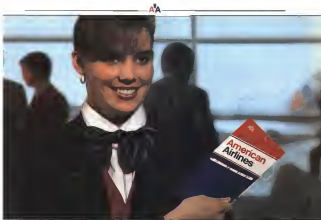
A rally for Canada

I was pleasantly surprised to see a picture of our rally in Marlow's, until I read the caption "A Montreal Yearly..." ("The meaning of You and Me," Canada Cover, Oct. 12). As one of the organizers, I would like to clarify that this rally was planned long before a referendum was announced and was our way of celebrating Canada and being Canadian. The participants, and those in similar rallies across Canada that same weekend, wished to demonstrate our common interest in a strong and proud Canada. Any connection with the You or Me rally in the referendum was therefore a misrepresentation of our message.

Diana Burke,
Montreal

'Utterly lost'

Finally, an article that acknowledges that a bilingual telephone can get along quite well in Quebec, but a unilingual transphone in Ontario is completely and utterly lost. I wish Benoit Aubin ("A Québécois perspective," Referendum File, Special Issue, Oct. 20) had looked in the phone book for the number of l'Association canadienne-française de l'Ontario, the number the speaker could not find. I would have liked to speak with him regarding the frustrations of living in French in northwestern Ontario. The perception that English-Quebecers are suffering terribly is difficult to



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Dr. Foth always gets the last word.



No matter what the topic, you can count on Allan Fotheringham to "fuzzify the muddification." His column on the back page is the highlight of the week for many readers of Canada's Weekly Newsmagazine.

Maclean's

CANADA'S FAVORITE NEWSMAGAZINE

LETTERS

circumvent, and Bill 158 resulted in forcing this misconception. Granted, English signs cannot be displayed in Quebec. However, English children can be educated in their language; thus, day care to post-university anywhere in Quebec. We can place French signs on any of our businesses, but without an educational system, our children cannot read those signs and are being disadvantaged at a rate of two out of three.

Deane Deloit,
President, London-Sarnia Chapter,
l'Association canadienne-française
de l'Ontario,
St. Thomas, Ont.

Turning a blind eye

With world and national events dictating intense media coverage, the recent wedding of the Nobel Peace Prize to Guatemala Indian rights activist Rigoberta Menchú will bring back memories to some of us of a painful and bloody period in her country's history (Passages, Special Issue, Oct. 18). During the 1980s, the Guatemalan right-wing government's military and death squads tortured and killed thousands while each of the world watched. Menchú's personal tragedy involved the killing of her parents and her teenage brother. And while the country's atrocities ceased for nearly a decade, the United States continued to pour millions into successive military government coffers. Even now, despite a slowdown in the bloodletting, Guatemala is still high on the list of Amnesty International's human rights violators.

Bert Seligman,
Barrie, Ont.

'Fresh new breed'

I was amused to read Maclean's comments characterizing the Reform party ad campaign as having "tended to ignore the context of the deal as favor of sharp personal attacks" ("As time runs out," Cover, Special Issue, Oct. 18). This is a complete distortion of the nature of these ads, which were crafted to concentrate on content and to avoid any sort of inflammatory rhetoric or personal comment whatever. Maclean's supports this interpretation with a single example. Manning's repeated reference to the word as the "Molotov cocktail." It, like our words of intense campaigning, then is the best example of a personal attack that Manning's critics can produce. Manning truly is a fresh new breed of politician.

Don Colborne,
Calgary

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It's been known to cause personality changes.



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COLUMN



How new realities are slowing recovery

BY DEANE FRANCIS

Conceivably, the United States and other nations are not suffering from a recession. Instead, we are all being buffeted by a restructuring of the global economy. That is why recovery takes—will take—so long. This massive correction is due to the fact that the world is being forced to wean itself from inflation. The forcing is being done by central banks, notably Germany's, as well as by the free flow of money which has no passport and swirls around the world looking for the best return, in effect punishing opportunistic, inflationary policies. There's a new world economic order, and democratically elected politicians no longer have control over the economic levers because what happens outside their borders affects what happens internally.

The clue that this is not an ordinary recession is the fact that the dramatic lowering of inflation and lowered interest rates, as have occurred in the United States and Canada, traditionally should have brought about long-awaited recovery. That hasn't. Likewise, politicians' admission or government deficits would have normally kick-started activity. That's not the case, either.

Low inflation and low interest rates don't help these days because of the unprecedented interdependence among nations due to liberalized trade and decades of government borrowing abroad. This means that problems in Japan and Germany affect Canada as much as the disappearance of oil in Newfoundland or a collapse of real estate sales in American cities.

A striking example of the new economic reality was the drop in the U.S. dollar against the deutsche mark in late August, coincided with the withdrawal in U.S. stock markets. The decline occurred because U.S. interest rates did not match Germany's—the Americans kept their interest rates comparatively low, undoubtedly because of last week's presidential election—and billions of dollars were converted into deutsche marks in order to earn the higher

interest rates being paid by the increasingly indebted Germans. Supply and demand kicked in, and the U.S. dollar dropped because so many dollars were dumped, dragging the Canadian currency down with it.

And when the U.S. buck fell out of bed, U.S. stock markets fell too, in the expectation that the heavily indebted Americans would be forced eventually to match German interest rates by raising their own. Stock markets always go in value when investors feel rates will go up.)

That situation underscores how dependent upon one another's policies we have all become. The point is, it would not have mattered how much interest the Germans were willing to pay if the United States was debt free, or didn't borrow from the massive pool of global capital. But it continues to run up a huge federal deficit every year and lacks the political will to tax its citizens and, worst of all, borrow from foreigners to pay for its prodigality. That means it must compete for debt dollars against others.

Europe is no better. Germany and the rest of Europe underwent currency crises three weeks later as values collapsed despite decisive measures costing billions of dollars to try

The world's borrowers suffer from hangovers because they have depended on foreign loans to live beyond their means

to pay off bonds, lire, francs, kronor and the like. The whole exercise left Europe's monetary system of interrelated values in tatters, along with hopes for monetary union through the Maastricht treaty process.

Germany's problems are huge and affect its neighbors, because it represents a nearly 30 percent of the 12-nation European Community's entire \$6-trillion gross national product. The engine of European growth, Germany grows under the weight of unification and paid out huge sums for East Germany by 1994, a recession visited upon by West German unions. Party impedes investment in the former East Germany because it means labor rates there are too high and investors are going elsewhere to build new factories.

By pointing to its merits, the German government backfired. Eastern Germans to mercifully high unemployment rates. Needless to say, the unemployed are a huge financial burden on the rest of the country. As well, there is the burden of Eastern European refugees. Some 320,000 Yugoslav refugees have landed in Germany this year alone and another 673,200 between 1988 and 1991 from other countries, according to UN estimates. Germany's central bank has pushed up interest rates to keep up the value of its currency in light of so much government spending and borrowing.

Simultaneously, there's a much money to borrow, so interest rates go up because the world's other traditional lenders, the rich Arabs and Japan, are not in a piffy shape either. The shakiness are preoccupied with debts of their own, fretting exploding populations in rebuilding areas damaged by the Gulf War. They also must shoulder large defense costs and fear that Saddam Hussein will cause trouble once more.

Japan's problems also prolong this restructuring. Following an extraordinary binge that enabled the famed risk-speculation machine in Thailand to collapse, Japan's financial system has imploded. The Tokyo stock exchange index hit a high of 38,713 in December, 1989, but tumbled under 17,000 these days, a collapse matched only by government intervention. Here at the onset of the Japanese economic picture real estate values dive, banks fail in loans, bad debts soar, layoffs occur for the first time since the Second World War and business bankruptcies set all-time records.

This chain of economic crisis is, as usual, misapplied politicians who approved cheap-money policies that artificially kept interest rates low, thus encouraging debt and excessive speculation in everything from real estate to golf club memberships and overpriced stocks. Now, the party is over and the world's borrowers, including Canada, suffer from the hangover too because we have depended on Japanese, German and Arab loans to live beyond our means. These nations are also buying fewer goods and services from the rest of us, slowing down our economies. The new reality that this means is that we're in a bind here, it is, and we should only elect politicians who understand how the world now works and not mistakenly blame them for matters beyond their control.

DRAWING THE BATTLE LINES

ACROSS ONTARIO, POLICE ARE UP IN ARMS OVER THE PROVINCIAL GOVERNMENT'S NEW GUIDELINES

The riot took place five months ago, but the issue it spawned remains active in Canada. Paul Robinson's mood. At the height of a riot that raged through downtown Toronto last May 4, a rampaging group of youths suddenly turned on him and trapped him against a street front. "It was one of the scariest things I've faced," said Robinson, 38, a sophomore 15-year veteran of the Metropolitan Toronto Police. "I thought I was going to have to fight my way out."

His assailants spat on Robinson and pelted him with rocks and eggs before leaving on foot. When the riot ended, Robinson said, he began to wonder if his job on the front lines of an increasingly violent society was worth the risk. For Robinson and many other police officers, the *discontentment* deepened when a report by former Toronto Ambassador Stephen Lewis blamed the riot, in part, on poor police relations with the city's black community. The document finally erupted into open revolt on Oct. 5 when almost 6,000 members of Toronto's 17,000-member police force, angered by proposed new provincial gun regulations, began a grizzled campaign against the province's *stir government*. Last week, they were joined by almost 25,000 other officers across the province, including 4,400 members of the Ontario Provincial Police.

The immediate cause of the protest was the proposed guidelines governing the use of force by police. Under the new rules, which are scheduled to take effect on Jan. 1, police officers across the province would be required to file reports every time they draw their

weapons in public. Although similar regulations exist in at least two other Canadian jurisdictions, these Toronto police across Province 604's government of adopting them to appease black activists, who have demanded more police accountability of police behaviour. And the escalation of the protest has dramatized the extent to which police across Ontario are angry at the *Rae government's* efforts to exert more civilian control over their actions. Says John Peterson, president of the 600-member Ontario Police Association: "The protest symbolizes our disagreement and opposition to the *Rae government's* attempt to undermine our efforts to maintain law and order."

To dramatize their concerns, police across the province had joined their Toronto counterparts in refusing to wear their regulation hats or to return tickets for minor offences, including some parking and driving violations. But on Friday, the Ontario Court of Appeal issued an injunction requiring police to wear their full uniforms and to enforce the law. Although some officers complained that the decision would make them look like "enforcers," the protest could no longer ignore those concerns.

Rae, however, has capitulated to some of the police association's demands to scrap the new firearms regulations. Last week, the premier began a two-week tour to Southwestern Ontario, leaving the issue in the hands of Solicitor General Allan Rock. He and repre-



Police protest at the Ontario legislature on Oct. 28: a fight over control

sentatives of the Metro Toronto police union plan to meet this week.

In Toronto, demands for increased civilian oversight on police powers have increased sharply over the past decade as a result of violent clashes between white officers and members of the city's black community. Since 1978, Toronto police have shot 14 blacks, figuratively. The most recent such killing occurred last May, when police shot a 22-year-old black man, Raymond Constantine Lawrence, after a late-night chase through a downtown neighborhood. Lawrence's death not only helped to trigger the riot on Yonge Street, it also heightened demands for more police accountability. Last week, David

Lewis, co-leader of the Black Action Defence Committee, declared: "They are shooting and beating our people. They are out of control." Even before the Yonge Street riot, police appeared to be trying police to run in the police. In June, he denounced Ontario's Internal Complaints and Investigation Committee, a police-dominated body, and replaced it with a new body, the Committee on Public and Officer Safety. Officials at Police's office said that the old committee was unrepresentative of the

broader community and was moving too slowly on reforms. Of the 16 members of the new committee, only two are police. The panel also includes members of the Black Action Defence Committee and the Metro Council on Police Reform—two organizations that have been harshly critical of the Toronto police force's treatment of minority groups.

Early last summer, the new committee drafted the use-of-force guidelines and presented them to Police. When the solicitor general decided to accept the committee's proposals, members of the Metropolitan Toronto Police Association voted to launch their protest. "This was the straw that broke the camel's back," says Art Lynde, the association's long-time president. "They have decentralized police forces across the province."

Although senior police officials in Toronto and elsewhere condemned the protest, they have also indirectly criticized the *Rae government* for its handling of the issue. Metro Toronto Police Chief William McCowan, for one, told *Mark's* that the relationship among police, politicians and community activists was moving rapidly towards a showdown even before the current debate. "Governments are leading some head to the very few," says McCowan. He added that his officers felt frustrated while "on the other side, there is an inordinate amount of civilian activity

with an inordinate amount of violence."

For his part, Robert McLaughlin, first vice-president of the Ontario Association of Chiefs of Police, also blames the provincial government for that of the *Hamilton-Western* Regional Police Service. McLaughlin says that he opposed the protest campaign among police force members but that he adds that the use-of-force regulations would likely have minimized lawlessness if police officers across the province felt that the Ontario government was sensitive to their concerns. Says McLaughlin: "There has been a lack of meaningful consultation."

Lewis, however, points out that police representatives attended the meeting at which the use-of-force guidelines were discussed and had a chance to air their concerns. He insists that the underlying cause of the protest is the police are reluctant to allow others to decide questions of police. "The police don't want to be accountable," says Lewis, adding, "People in this province fear the police."

Another high-profile critic of the protest is Susan Fog, a law lawyer who since 1996 has been the provincial attorney-general of the Metro Toronto Police Services Board, the so-called panel that sets police policy. "It has to do with concerns as well as authority figures take to the streets," says Fog, who is widely disliked by Metro Toronto police officers because of her outspoken calls for more civilian control over the police. "They are the group who-

National Notes

STRAPPED FOR CASH

Ottawa and British Columbia announced new provincial spending cuts after announcing that government revenues would be less than projected. Ontario Treasurer Royce Loughlin, faced with an additional \$100-million shortfall, announced cuts to cut \$500 million from the budget. B.C. Finance Minister Glen Clark, faced with a shortfall of \$500 million, announced cuts totaling almost \$55 million and promised further reductions later this month.

A FIREFIGHTER'S DOWN

Sharon Gosselin resigned as leader of the Manitoba Liberal Party because she is "bored." The 30-year-old Gosselin gained a national profile through her fierce opposition to the 1987 Meech Lake accord, and her fiery opposition of the Charlottetown accord in Oct. 26 referendum. Gosselin became party leader in 1994.

WRANGLING OVER WISKEY

Six managers and one supporter at the Western and Union in Plymouth, N.S., asked Nova Scotia Supreme Court Chief Justice Constantine Giesbe to stop a judicial inquiry into a May 9 explosion at the mine that killed 26 men. The managers claim that the inquiry, which was ordered by the Nova Scotia government, could interfere with their rights to a fair trial on charges related to mine safety. Giesbe reserved his decision.

NEW CHARGES AGAINST SNOW

Metro Toronto police charged heretofore David Alexander, 32, of Orygarden Drive, with the first-degree murder of Ian Blackburn, 54, and his wife Nancy, 49, whose bodies were found in the trunk of their car outside their home in north Toronto in August, 1990, who at a meeting in Victoria after pleading guilty to kidnapping and sexually assaulting two B.C. women, will be transferred to Toronto in January to face the murder charges.

MAD ABOUT KIM

A photo showing a bare-shouldered Kim Campbell holding her black legal briefs in front of her on a coat hanger drew sharp criticism from some of the federal justice minister's political opponents. Comparing Campbell to Madonna, *Seaside* 411 Toronto's Kim Lynn Harker said that the photo, which appeared in a recent book of portraits of Canadian women, was "inappropriate." Campbell, noting that she was not made when she was photographed, and that her critics lacked a sense of humor.

FORCES THAT FILE

Two police forces in Canada currently operate under gun-use regulations similar to those that are the object of criticism from several *Ontario* police associations.

HALTONTON REGIONAL POLICE

Since 1982 officers in Halton region, west of Toronto, have had to file a report each time they draw their weapons. In 1981, supervisors reviewed 40 reports. Previous years drew 21 times to destroy weapons—only five of the cases involved shooting at suspects. The regulations have not been a source of controversy within the department, and the reports have been cited as an exemplary system.

EDMONTON POLICE SERVICE

Between January 1980 when Edmonton police began filing gun use reports and the end of 1986, officers filed 21 statements. They had a total of 100 months filing two incidents and issuing a total of 100 incidents, excepted also had on police resulting in the death of one officer. Police have not complained about having to file the reports.



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CANADA

meant to use force. Who keeps them in line?"

Clearly, many police officers in Toronto resent such criticism. They also dismiss out of hand allegations by some critics that police in the city are too quick to pull their guns when confronted by non-white suspects. "The people who accuse us of racism have never been out on the street with us," said Const. Bill McCormack, the 33-year-old son of the police chief. Last week as he and his partner, Const. Peter Troup, patrolled a steady downtown neighbourhood, "We're trying to stop crime, and that is the bottom line." During the patrol, McCormack and Troup detained and questioned a group of young black men and women in a coffee shop. As they searched the youths for drugs, finding none, one of the men was pleased to tell the police about their tactics. "You're doing that because I'm black," the man said. Replied McCormack: "We're doing this because you're a drug dealer."

Later, both officers said that the regulations that would require them to fill out a form each time they draw their guns will make their jobs more difficult. Troup, for one, said that he sometimes removes his gun from its holster and keeps it at the ready when he works in neighbourhoods where there are armed drug dealers, or when he is drawn down a dark alleyway by a sudden scream. If the department kept a written record of every such incident, he said, defence lawyers might subpoena the information in an attempt to prove that he was trigger-happy. Said McCormack: "Guns are only a tool, they are not a weapon and they are pointed at someone."

But police officers in jurisdictions where police are already required to file gun-use reports say that they have encountered no such problem. John Van der Kolk, an inspector with the Halton Regional Police Service in Milton, Ont., said that the forms are completed, they are reviewed by senior officers and filed as part of the official record, whether a crime has been committed or not. Although the public can obtain copies of the forms under the province's freedom of information act, he said that suggestions that they could be misused are ludicrous. Said Van der Kolk: "The forms are useful documents for the force, and nothing else."

But one of Eng's colleagues on the Toronto police services board, Norman Gardner, says that there is a larger issue for the public to consider. A Toronto businessman who has been harassed to carry a handgun because of threats against his life, Gardner says that many urban police officers are already cautious about how they should act in dangerous situations. If the political pressure does not ease, he adds, a growing number of police will simply avoid getting involved in incidents that might lead to charges of racism. Says Gardner, who last March shot and wounded a man who was trying to rob a bakery he owns: "If police are at risk, they are going to ask why they should take their heads out — so to speak. But the government has failed to convince Ontario's police that it has a satisfactory answer."

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Toronto police questioning a suspect: complaints about political interference

Frustration in blue

Across Canada, police officers are angry

The police protests in Ontario are only the latest symptom of widespread anger and frustration among many of Canada's law enforcement officers. Last week, Maclean's correspondents interviewed police in four major cities about their concerns. These report

Cont. John Gardner, 46, all up takes home coffee and goes out of a doughnut shop window at a damp street in downtown Halifax. "Mumble in low," says the 11-year Halifax police force veteran and president of the Municipal Association of Police Personnel, the union that represents the city's 300 officers. Gardner, who recently ended a nine-month undercover assignment, discusses what he says is his worst fear: "Somebody" predicts Gardner, "a young politician is going to get killed because he was reluctant to take the proper action to deal with a situation—out of concern over what the public outcry would be."

Like many of their peers across Canada, Halifax police officers maintain that political interference has made their job increasingly difficult. The main problem, they say, is pressure from special-interest groups, particularly the city's increasingly vocal black community, for more police accountability. To some degree, the department has moved to answer its critics. Since taking office as Jan. 1, 1991, Police Chief Vancas MacDonald has tried to build bridges to the black community by appointing three non-selective officers and recruiting more black police candidates; currently five of the force's 300 candidates are black. Says Donald Clement, a sociology professor

at the city's Dalhousie University who studies policing issues: "Halifax has taken the lead when it comes to dealing with minority groups."

But even politicians who acknowledge the need for change complain that the problem has swung too far. "It is confusing," one senator explains. "It seems like our government is doing their jobs without appearing racist, or trampling on the rights of some special-interest group." Some Halifax police officers say that sometimes they have a black eye to crime simply because they are afraid of being labelled racist. Unusually, concludes Gardner, police officers are now under pressure to be "social warriors" rather than peace officers. "Punching his coffee, he adds, "The problem is that when I sit out in the street in the middle of the street, I just don't have time for that."

Rocked by charges of pervasive racism and gross incompetence, the embattled and demoralized Montreal Urban Community Police Department is now the object of a wide-ranging independent, provincially mandated inquiry. Since last May, retired Quebec Court of Appeal Judge Albert Meland has been studying the 4,500-member force and its procedures. His report is not expected until next summer—but previous reports have severely criticized the Montreal police. After the July 1991, death of Marwan Fares, an unnamed black man shot by police in a case of mistaken identity, a coroner's report into the tragedy charged that there was "a totally unacceptable" level of racism among Montreal police and "an unres-

TOM PENNELL

tional future of the department as a whole."

These findings added many Montreal police officers, who had already staged street demonstrations to vent their anger at an internal investigation that resulted early of the same conclusions. But the Piquette shooting has sparked some reforms. In several neighborhoods, police have opened mini-stations as an attempt to forge closer ties with the public. In addition, more officers are being deployed on the streets. And the force has launched a campaign to recruit members of visible minorities.

Still, many Montreal police officers say that these measures are only window dressing. Yves Paul Housse, president of the powerful Montreal Urban Community Police Brotherhood, argues that Montreal's police department remains critically understaffed. He points out that well over half of all of the crimes committed in Quebec occur within the Montreal department's jurisdiction—but that only a third of the province's police officers work in the city. And he says that charges of racism only serve to divert attention from the real issue, not enough is being done to reverse the trend to increasing public violence. "We don't need any more curatives or cures," says Paul Housse. "What we need is support in the fight to prevent bloodshed from going into another New York, Detroit or Washington."

In many ways, the Calgary Police Department is the envy of police forces across Canada. The city's police enjoy generally harmonious relations with the Calgary Police Commission, the civilian agency that governs the force, as well as with Alberta's Conservative government and the community at large. Says Staff Sgt. Michael Dungey, president of the 1,200-member Calgary Police Association: "There are no problems that would cause us to tie up our arms." According to Dungey, the primary reason for the Calgary force's relatively high morale is that it is subject to little political interference. "We don't have an NDP government here," he says. "It appears that the NDP takes a strong stand on law and order—as the opposite side of the police."

That certainly cannot be said of Steven West, Alberta's solicitor general and a self-proclaimed law-and-order proponent. "He won't take nonsense from civil libertarians," Dungey says. "He listens to the rank and file. The relationship is very healthy—Metro Toronto does not have that." That pro-police atmosphere has resulted in substantial gains for the force. Calgary's police—and their counterparts in Vancouver—recently won a five-year battle to replace their standard side arm, the Smith & Wesson 38 S&W revolver, with the more powerful Austin-made Glock 10 mm semi-automatic pistol. Police associations in Ontario have lobbied successfully for similar weaponry for their forces.

Calgary's police have also won praise from

many members of their community. "I hear few complaints about the police," says Terrence Armstrong, a Miqna and executive director of the Calgary Aboriginal Awareness Society. "Our relations are not perfect—but they are better than in any of the other 28 communities I have visited in Western Canada." He adds, "As far as ethnic issues are concerned, Calgary is an oasis in the desert of racism."

According to Det. John de Haas, the spokesman for the Vancouver Police Department and

strongest police. Provincial officials say that the inquiry was not prompted by any one incident, although the use of force by Vancouver police has recently stirred controversy. Twice in the past year, Vancouver officers have been investigated for allegedly using more force than is in such cases those concerned were concerned. In a separate case last spring, the Crown did not press charges against an officer who shot and killed a man brandishing a pellet gun.

Still, Vancouver's police continue to face



Garbner: "when I am out in the street I don't have time to be a social worker"

communities to every major urban center in North America. The most pressing issues, says the president of the 1,200-member Vancouver Police Union, are the use of force, accountability, methods of reviewing police conduct and the need for the force to reflect the ethnic composition of the community. But looking across the country at the standoff between Ontario police and the NDP government, de Haas acknowledges that "Vancouver police force is far less confrontational attitude with the B.C. NDP administration." The process in the East is clearly more political," he says. "Here it is a much more objective, businesslike approach."

As part of that approach, last June the provincial cabinet appointed B.C. Supreme Court Justice Wallace T. O'Neil to conduct an inquiry into policing in the province. The inquiry is the first such review since the early 1970s and has a sweeping mandate. O'Neil, whose report is scheduled to be completed by the end of next year, will examine such issues as the structure of the law enforcement system, police training, protection policies and

budgets. The issue has been without a contract since Jan. 1. The main issue in the negotiations is money—at an average salary of \$47,100. Vancouver consultants with three years' experience extra about eight per cent less than their counterparts in Toronto and Montreal. De Haas also says that his members are demoralized by the findings of the justice system. "You keep recycling the same mistakes," he declares. "We recycle, we repeat."

Another contentious issue is the hierarchical structure of the police force. Under the existing system, officers complain, successful police are often promoted away from direct police work and into supervisory roles and management. Most of those concerns will likely be resolved by Justice O'Neil's inquiry—a method of addressing problems that the Vancouver Police Union membership clearly prefer to mulling on the provincial legislature.

JOHN DEMERY is in Victoria, BARRY CAHILL is in Montreal, JERRY HOWSE is in Calgary and RAL QUINN is in Vancouver.

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Preparing radical surgery

Ottawa contemplates major government cuts

Throughout his eight years in office, Prime Minister Brian Mulroney has preached the virtues of a leaner, more efficient federal government. But Mulroney's new cabinet is clearly diverging from that education—since 1984, the number of federal ministers has increased from 39 to 29, making it one of the largest such bodies in the industrialized world. Now, with a federal election looming within the next year, the Conservatives are considering a plan to drastically shrink the cabinet, perhaps to as few as 24 ministers. The proposed reorganization would be the counterpart in a vote-winning series of budget cuts and departmental reorganizations, measures the Tories hope will appeal to disaffected Canadian voters.

The details of the reorganization plan are contained in a closely guarded, 200-page study prepared for Secretary of State Robert de Cotret. In June, de Cotret asked six former senior civil servants, headed by former Privy Council chief Gordon Osakowicz, to find ways of eliminating duplication among Ottawa's 27 federal departments and 408 government agencies. Their report, which de Cotret delivered to Mulroney last week, will likely figure in a major economic statement by Finance Minister Don Mazankowski before the end of the year. In addition, a separate group of consultants is now drawing up plans to reduce the size of the 220,000-member federal public service. Already, however, some public policy analysts say that the reorganization plan appears to be more symbolic than substantial. Said Jeanne

Macdonald, a political economist at the University of Ottawa: "There's always been a lot of smoke and mirrors about government reorganization." She added: "It's a shell game."

Despite the criticism, government officials say they feel the need to reassess the strategy of reducing the size of cabinet and eliminating public service jobs will prove popular with voters, particularly those attracted by the Reform Party of Canada's attacks on federal spending. Since 1984, the Conservatives have cut the equivalent of 12,000 positions from the federal payroll. And in his most recent budget in February, Mazankowski abolished 46 government programs and agencies, including the Economic Council of Canada, the Science Council of Canada and the Federal Law Reform Commission. Said Education-minister Conservative MP Murray Dobson, chairman of the House



De Cotret: hoping to appeal to disaffected voters

Macdonald. Since then, the number of ministers has increased every time the government has changed hands, with only three exceptions. Of the current 29 ministers, each earning \$148,800 a year, none are junior ministers who do not control full departments. But all have a personal staff of at least eight, and many have large households that report to them.

Mazankowski's environment will probably include plans to merge departments that have related efforts, such as Forestry with Energy, Mines and Resources and Agriculture with Fisheries and Oceans. The finance minister also appears likely to announce the removal from cabinet of several ministers of state. Currently, there are ministers of state attached to senior ministers such as transport and transport as well as to fitness and amateur sport and small business and tourism,

among others. Intended to be a voice for special constituents, they are often criticized by the interests they serve. John Bullock, president of the Canadian Federation of Independent Business, for one, says that the small business portfolio occupied by Minister of State Thomas Hodges is "just a nuisance for us." Adds Bullock: "We have to play around with all his officials, staff and executive assistants—and they have no clout at all."

Bullock, like other observers, notes that it is the so-called water cabinet—the senior ministers who belong to Mulroney's 24-member priorities and pleasure committee—that actually wields real power. In some cases, the real authority is the nine-member cabinet operations committee, chaired by Mazankowski. Both of those groups tend to meet weekly when Parliament is in session, the full 30-member cabinet convenes far less frequently. Declares Bullock: "The rest of the cabinet is phony-boloney. The small business minister's real job is to save his riding and the one next to it."

Still, some experts say that the abolition of several junior ministers is unlikely to produce major savings. And massive public service layoffs are unlikely—not only because of the political backlash they would create but because of the high cost of severance packages. Said Lacro: "There are many transition costs involved in moving people around the bureaucratic board." Those range from the immediate expense of moving offices to new locations to the longer-term costs of establishing "new lines of command." The prospect of controversy may even help to preserve such obvious duplications as the two separate head offices of the department of various affairs in Charlottetown and Ottawa; in addition, the 4,400-member department maintains 32 district offices and five regional offices.

For his part, de Cotret says that the measures now under consideration "will save money," in large part by reducing the number of duplicated services. For one thing, both de Cotret's department and External Affairs maintain full protocol services; the former organization is Canada by friends of Commonwealth countries while the latter looks after all other foreign dignitaries. As well, some government departments and agencies currently administer a total of \$3.1 billion in loans to students, small business owners and others. All have different standards, rules and application procedures. Said de Cotret: "We didn't do it before; let's put it all together." The government's critics have asked that question many times in the past. But for the Tories, the real issue is whether the reorganization plan will come too late to win over Canadian voters.

GLEN ALLEN with E. KATE FULTON in Ottawa



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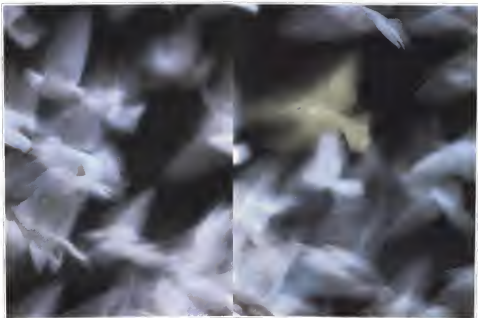
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PEOPLE

GETTING BACK TO BASICS

"It's definitely homegrown," says Tereza Carvalhal of *Where the Rivers Flow North*, a low-budget, largely community-funded movie currently being filmed in Vermont. In it, the Alberta-born Nordic actress plays a housewife fighting to save her land from a hydro-



Carvalhal: "It's very personal experience"

electric project in 1927. A longtime advocate of native rights in Canada, Carvalhal said that the role has special significance for her. "It's about people being forced off land where they have deep roots," added the actress, 42. "People that weren't politically aware of the damage, it was just a very personal experience."

Changing pace

Lodie Nielsen clearly knows about the dangers of success. "You do something that's highly successful and that's all people want to see you in," said the 36-year-old actress, who starred in the suspense movie *The Night Gun* (1984) and last year's *The Night Gun 2: Die in Danger*, a new action now filming in Vancouver. Nielsen has a more down-to-earth role, as a kindly gentleman helping out a troubled kid. "It has to do with people," Nielsen said. "I haven't been spending too much time in the past few years playing people—I've been playing wonderfully crazy characters."



Nielsen: "brave characters"

Personality on the move

Ralph Benmergui, who recently ended a three-year stint as co-host of CBC Television's daytime current-affairs show *Midday*, says that he "loved working with [co-host] Valerie Plafie, but it wasn't the only thing I wanted to

do." Now, Toronto-based Benmergui is host of the new 10 p.m. CBC variety program *Friday Night!* with Ralph Benmergui, and he says that his new job has already presented fresh challenges. In one spontaneous moment during the Oct. 30 debut show, Scott Thompson, an in-

Benmergui no longer



Bringing up baby

A husband and husband—such is TV pregnancy. For her role as super-vast and new single mother Olivia on this season's CBC drama *Street Legal*, Cynthia Dale said that, to look pregnant, she wore "this thing that looks like a big, lustrous, weighted down with lead." It's heavy. "The Toronto-based actress added that she does not expect her role this year to create controversy in the same way that another single TV parent, the talk character in CBS' *Murphy Brown*, has in the United States. Said Dale: "People think that Olivia is a false woman anyway. I mean, the baby was conceived on a desk—raising her alone is nothing after that."

Dale: a heavy role

WEIRD CANADIAN TALES

In Robert Kroetsch's new novel, *The Puppeteer*, a struggling writer who parades about the house in her wedding dress is seduced into a saga of murder and obsession by a pious deliveryman in monk's robes. "It's kind of a strange world where the real and the imagined go together," said Kroetsch. "I don't know if I'd call it a dream world, but it's magical." The 65-year-old Winnipeg-based writer, who won a Governor General's Literary Award in 1989 for his novel *The Southern Man*, added that in his writing, he wants to produce "a different kind of take on the Canadian experience." Said Kroetsch: "I think Canadians have a kind of a wild, maybe slightly dislocated, sense of the comic. I'm trying to get at that—that Canadians are anything but dink."



movement—and openly gay—member of the comedy troupe *Kids in the Hall*, sat down beside rough-and-tumble hockey personality Don Cherry—and then lay down in the shocked Cherry's arms. But through it all, Benmergui says, he maintained his calm. He added: "That's what they pay me for—to start crying or wet my pants."



Ethnic warfare raging in southern Russia: a conflict rooted in Stalin's policies of deportation and division

WORLD

STREETS OF FURY

Even the historic celebrations of Red Square were marred last week, as the turbulent politics of the Russian capital. An ordinary Russian grappled with problems that included hyperinflation, falling industrial production and ethnic warfare within the country's own borders. The Red Square controversy stood out as one of the issues taken of conspiracy and intrigue now coursing through Moscow. Even though the Soviet Union collapsed nearly a year ago, Nov 7—this year a date that marks the 75th anniversary of the Bolshevik Revolution—is still an official holiday. But Moscow Mayor Yuri Luzhkov has arranged distant Communists by cordoning off large sections of the square, ostensibly for repairs. As a result, the Communist faithful who traditionally gather on the square on the anniversary had no access to the tanks where the remains of Soviet state founder Vladimir Lenin are still on display. Parades (think it), the self-designated teenage

AS THE RUSSIAN ECONOMY DECAYS, BORIS YELTSIN CULTIVATES A TOUGHER, MEANER PUBLIC IMAGE

per voice of the banned party, rejected Luzhkov's bland explanation that the pavement work was simply a coincidence. In spite of it, *Pravda* said, the anniversary celebrations would reach as close as possible to Lenin's tomb. The Red Square dispute underlined the fact that Russia is in the midst of another, chaotic

revolution, designed to reverse the effects of seven decades of Communist rule. But after almost two years of economic shock therapy, there are few signs that the hoped-for result of that program, a market economy, is taking root. There is also no end in sight for the financial suffering that most Russians endure, a problem that, according to a rash prediction by Russian President Boris Yeltsin last fall, would last only eight months. Now, with inflation at 36 per cent in October—the steepest increase since January, in a year when prices on most retail goods rose by 1,500 per cent—Yeltsin is taking steps to ensure his political survival. Indeed, his recent efforts to gain support from conservative politicians, industrial managers and army leaders strongly resembles the course followed by former Soviet president Mikhail Gorbachev during his last year in power (see p. 28).

Yeltsin has deliberately cultivated a tougher, meaner image. For one thing, he sharply rebuffed the withdrawal of Russian troops from the Baltic states last month. He declared that the pull-outs would not resume and Estonia, Latvia and Lithuania signed agreements covering vaguely defined social protection for Russian soldiers and their families. Russia had agreed to withdraw an estimated 150,000 soldiers from Baltic countries by the end of 1994. But with roughly half that number already back on Russian soil, Russian army leaders have repeatedly voiced concern about the lack of adequate housing for troops returning from the Baltic and former Soviet bases in Eastern Europe.

At the same time, new language and citizenship laws in Estonia and Latvia have made it harder for Russian minorities in these countries to become citizens. Russia's foreign minister, Andrei Kozyrev, has also reportedly denied that there was formal talk between a resumption of the troop withdrawals and human rights problems facing the 1.6 million ethnic Russians who form about 30 per cent of the Baltic states' population. But, Kozyrev added, "If the human rights situation in Estonia, then the withdrawal of Russia's troops will also be easier and calmer."

Yeltsin has been boy on other military fronts, as well. On Nov 2, only two days after dispatching 3,000 soldiers and two battalions of paratroopers to stop the first serious outbreak of ethnic warfare on Russian territory, he declared a state of emergency in the tiny Caucasian region of North Ossetia. There, in mountainous territory near Russia's border with Georgia, battles between mainly Christian Ossetians and Muslim Abkhaz fighters

have left scores of people dead. Despite apparent religious overtones, the conflict is essentially laid dispute that can be traced to Soviet Stalin's widespread uprooting and dispersal of ethnic groups that he suspected of disloyalty.

In 1944, the Soviet dictator accused the Ingush, Sunni Muslims whose number about 100,000 people, of collaborating with the German invaders, and he deported the mountain people to central Asia. Soviet authorities allowed the Ingush to return to the Caucasus in 1957, but they received only two-thirds of their former homeland. In the current fighting, some Ingush are now striving to retake their land from North Ossetia.

Yeltsin supporters claim that the Russian president had little choice but to send troops to stop a conflict rooted in Stalin's policies of deportation and division. The Georgian-born dictator also split Ossetian territory, the homeland of some 400,000 Muslim Chechens, between Georgia and Russia. Indeed, government officials in Moscow note that North Ossetia is one of about 30 ethnically distinct regions scattered across the vast Russian Federation. Failure to maintain control in the Caucasus, they argue, will fuel separatist fears that Russia is breaking into a patchwork of independent ethnic groupings.

To many analysts in the Russian capital, Yeltsin's gambit-style diplomacy in the Baltics was simply the latest sign to Russian nationalists that he will protect the interests of fellow countrymen in former Soviet republics. Yeltsin's Caucasian excursions also revealed his sensitivity to nationalist pressure. In September, in fact, he cancelled a visit to Tokyo after prominent nationalists strongly objected to a stop of Russian aid for cash. Under the terms of that proposed treaty, Russia would have relinquished the Kuriles, a Pacific island group that the Red Army wrested from Japan during the last days of the Second World War, in return for increased financial aid from Tokyo.

Yeltsin has even indulged in some outright political theater recently, displaying his toughness side to opponents who, he claims, want to overthrow him. He banned the National Salvation Front, a small, newly formed group of ultranationalists and former Communists that had attracted little public attention or support after its accused top leader's death. Yeltsin also ordered the dissolution of a 50-member secessionist bloc under the direct control of Russian Khanty-Mansi, the speaker of the Russian parliament and a seven-time of Yeltsin's economic reforms. That Khanty-Mansi's so-called province army has never posed a threat to a leader who commands the loyalty of the Russian armed forces.

Still, Yeltsin does face the reality of special powers, which allow him to rule by decree, at a Dec. 1 meeting of the Congress of People's Deputies, Russia's highest legislative body. The Congress is packed with secessionists and separatists who are unlikely to obey Yeltsin's emergency powers. And, as for the secessionists, they have stated their intention of voting out the government headed by acting prime minister Yegor Gaidar. With only enough support,

World Notes

IRELAND GOES TO THE POLLS

The Irish government collapsed after Prime Minister Albert Reynolds lost a confidence vote in parliament. The defeat, by a vote of 111 to 77, happened one day after the Progressive Democrats, junior partners in the Paddy Harteed coalition government, resigned from Reynolds's cabinet. Reynolds had accused their leader, Industry Minister Don O'Malley, of being "irresponsible and dishonest" in his testimony to a reform of an Irish oilseed industry. A general election will be held on Nov. 26, the same day as a referendum on abortion.

BLOODSHED IN ANGOLA

Intensified fighting between Angolan government and rebel forces left an estimated 1,000 people dead. Last year, the rebel Union for the Total Independence of Angola (UNITA), supported by the United States and South Africa, ended a 14-year war against the former Marxist and Cuban-backed government. But UNITA rejected the outcome of United Nations-supervised parliamentary elections in September which gave a decisive victory to the leftist government.

MAJOR SQUEAKS THROUGH

Overcoming Labour Party opposition and a rebellion in his own Conservative Party, British Prime Minister John Major won a critical parliamentary vote on the Maastricht treaty for closer European union. He won 318 to 158 to support the treaty. Major, who had staked his political and personal prestige as winning the vote, said that he would delay British initiation of the treaty until after a British referendum in May.

A MOSCOW SURVIVOR

By a vote of 18 to 17, Yegor Gaidar's upper house of parliament rejected a motion of no-confidence in Prime Minister Milan Petic, an American millionaire who took office in Belgrade a month after he gained power in the disintegrating Yugoslavia and left UN sanctions against Serbia. A senior Petic aide said that the federal government would now focus its energies on ensuring "free and democratic" federal and Serbian elections next month.

NUCLEAR CUTBACKS

Russia's parliament ratified the Strategic Arms Reduction Treaty (SALT) signed by President George Bush and then-Soviet President Mikhail Gorbachev in 1991. The treaty obliges each side to reduce its nuclear warheads to 6,000 within seven years to 1,600 and the number of nuclear warheads to 6,000 within seven years.

that 36-year-old economist has fought a powerful political battle for such free-market goals as an end to subsidies to inefficient state enterprises. And as Dec. 1 looms, Gaidar and other cabinet members finally acknowledge that they are running out of time to make the privatization of Russia irreversible.

To be sure, Gaidar's listing of retail prices has filled some-lane shelves in state stores. But with workers earning about 6,000 rubles per month on average—\$18 with the increased ruble now trading at 313 per dollar—many consumers cannot afford such ordinary goods as winter boots, which now cost about 7,000 rubles. And even so Gaidar complains about critical legislative reforms that still need to be put into effect—including the right of ordinary citizens to buy and sell land—without democrats are increasingly questioning the Gaidar team's determination to end subsidies and let the market determine which enterprises would then survive. Prominent among them is St. Petersburg Mayor Anatoli Solovchik, who has voiced concern about the social effects of policies that would swiftly throw millions of Russians out of work. Said Solovchik, "The 70 years under communism everything about capitalism was automatically bad. Why do we have to switch so suddenly to the opposite view?"

The prime beneficiary of such doubts has been Arkady Volsky, the main spokesman for Civic Union, a political bloc that champions Russia's capture of state industry. Volsky openly advocates the Chinese model of eco-



Yeltsin: a matter of political survival

some reform—proceeding by small steps. Civic Union has the support of many Congress members, and last week Yeltsin said Volsky set to discuss a possible alliance on Dec. 1. The price for such cooperation, Civic Union representatives gave to Yeltsin with the names of government ministers they want replaced: Andrei Kozyrev, Russia's strongly pro-Western foreign minister, is on that list last as is Anatoly Chubais, the deputy prime minister in charge of privatization.

While Gaidar's hold on office is also weak, the prime minister has clearly steeled himself to accept massive surgery on his cabinet. Said Gaidar last week: "The future of Russia's reforms does not depend on this government being intact. What is really important is whether we can create a workable consensus with the industrial sector that does not undermine the possibilities for a viable economic policy." Yeltsin seems to hold similar views. And that presidential endorsement likely will result in a stiffer approach to the largely untouchable job of transferring Russia's state-owned enterprises to private hands—a policy stance that resembles Gorbachev's tilt towards conservative forces during his last year in power. Presumably, Yeltsin sometimes acknowledges the comparison with his old rival. Still, close associates add that he usually insists on one important distinction. Unlike Gorbachev, Yeltsin likes to say, his tactical shift will allow him to stay in office.

MALCOLM GRAY in Moscow

A savior in waiting?

Mikhail Gorbachev refuses to be muzzled

It is the ivy-covered facade of Russia's Information Minister Mikhail Potemkin, a lean, ice-colored building that once belonged to the Communist party loans company as a center of KGB-style opposition to Russian President Boris Yeltsin. That five-story building on Moscow's Leningradsky Prospekt is in fact the headquarters of the International Foundation for Socio-Economic and Political Studies, a think-tank that is better known in the West as the Gorbachev Foundation. There, the former Soviet president takes over a domain that last month shrank to 35,000 square feet of rented space—equivalent in area to a small supermarket—when Yeltsin took back most of the government-owned property that he had granted for the foundation's use.

That stingy rebuke punished an old rival for sharply criticizing the Russian president's tough economic reforms. But the setbacks have not muzzled the outspoken Gorbachev—nor prevented him from public meetings about a political comeback. Indeed, Gorbachev sometimes compares himself to France's political hero Charles de Gaulle, who led and eventually

replaced the presidency. Said Gorbachev recently: "De Gaulle returned to power at the age of 68 and I am only 61."

But while Gorbachev remains popular in the West as the Soviet leader who helped end the Cold War, he receives grudging approval at best from Russians and other former Soviet citizens for instigating democratic reforms. Indeed, Communist loyalists blame him for the demise of the party and Soviet democrats accuse him of avoiding much-needed economic reforms. Certainly, Gorbachev's refusal to testify at a Constitutional Court hearing on the past activities of the Communist party is widely regarded as an arrogant attempt to set himself above the law. Said Andrei Makarov, a lawyer who is arguing that Yeltsin's 1991 ban on party activities was legal: "I am not one of those who believed in Gorbachev from the start. I

trusted him when he spoke about building a democratic state based on law. It is very disappointing."

As a result, the former president speaks largely for himself when he criticizes the Russian government's performance. Potemkin's common sense, there are no signs of an anti-Yeltsin opposition forming around Gorbachev's leadership. Gorbachev now plays such a reluctant role in Russian domestic politics, in fact, that his name rarely appears in media reports and is seldom uttered on Moscow's always-active rumor circuits.



Gorbachev: 'I am only 61'

Indeed, Alexander Yelovikov, a former Soviet ambassador to Canada who moved from the Kremlin to a Gorbachev Foundation office last year, discusses possibilities of a Gorbachev comeback. Said Yelovikov in a recent interview with the Moscow-based daily newspaper, *Komsomolskoye Pravdo*: "I can see neither a need nor a possibility for his reappearance in the political arena." Added Yelovikov: "He has written his page in the history of Russia. That is enough." The list that Gorbachev himself apparently feels otherwise may not be enough to ensure his return to prominence.

—M. G.

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A 'CLARION CALL' FOR CHANGE

BILL CLINTON IS LOOKING AHEAD TO FOUR YEARS IN THE MOST POWERFUL JOB IN THE WORLD

On the after-midnight chill from the Arkansas River, the men and the city shared the stress of the videotapes. For William Jefferson Clinton, the cheers of 50,000 Little Rock citizens gathered on the steps of the capitol's Old State House were the first popular salute to his victory, in one of the closest and most historic presidential election campaigns in American history. And for many in the slow-moving, fearful and scholastic throng, the triumph of the man they welcomed finally led to rest after their city's ugly 35-year-old association of school desegregation, of military bayonets protecting frightened black students from hostile whites. On election night last week, Little Rock reached the end of its long road back to pride from international humiliation—and shed its image as some kind of comic-book megacity. But for 46-year-old Bill Clinton, winning inaugurates on Jan. 20 as America's 42nd president and the Democratic party's seventh in the 20th century, the time of trial had just begun. "This election," he told the smallest crowd, "is a election call for our country to face the challenges of the end of the Cold War, and the beginning of the next century."

However, in a country whose citizens are plagued by unemployment, crime, dejected inner cities, prohibitive health-care costs and chaotic public schools, Clinton will be under enormous pressure to generate something approaching a miracle during his critical first 100 days in office. Last week, while time-serving Republicans shuffled through the wreckage of President George Bush's campaign, Clinton named veteran black civil rights leader Vernon Jordan to lead his transition team. And the president-elect began poring over letters on the drafting table ahead. At midnight, exhausted and still hoarse from the campaign's frantic final hours, he talked by phone with world leaders, including Prime Minister Brian Mulroney, and told a TV interviewer: "I am going to focus like a laser beam on this economy."

There will be many people willing to help him pull the trigger: the Democrats retained control of both

houses of Congress—and made history in the process. The Senate got its first black senator, Democratic Carol Mosley-Brown of Illinois, and its first American Indian in 64 years, poorly timed Sen. Nighthorse Campbell, a Colorado Democrat and captain of the 1964 U.S. Olympic judo team who lost up a mugging in Washington last year.

Because Clinton made it clear throughout the campaign what he wanted to do if elected, the expectations now confronting him are largely of his own making. He has vowed to slash government spending—chiefly in the area of defense—and to raise the income-tax rate on household incomes over \$90,000, and on individual incomes over \$150,000. Those were among the measures, Clinton said, that would allow him to halve the \$5 trillion federal deficit in four years and to give tax breaks to families making less than \$50,000. He also has a long list of spending initiatives, having vowed to provide job training, establish broadly based college scholarships, make health care more accessible, revitalize schools and invest heavily in public works—perhaps by as much as \$30 billion in bridges and highways. As Harvard University economist Robert Reich, who helped write Clinton's economic plan, said late last week: "Economic growth is first and foremost."

In the past few weeks, that central theme has permeated increasing numbers of U.S. financial analysts to endorse Clinton's economic plan. But there were widespread concerns among politicians and business leaders in Canada and other countries about the impact of less-polluted Clinton proposals, such as raising taxes on foreign corporations doing business in the United States (page 60). Still, the president-elect—sworn to the throne 40 days ago by the voters of a majority of women, blacks, Hispanics, women and those earning less than \$50,000 a year—rehearsed last week to be specific about economic initiatives. Speaking to reporters outside the governor's office in Little Rock, he declared commitment on the trade dispute that erupted between the Bush administration and the



'I AM GOING TO FOCUS LIKE A LASER BEAM ON THIS ECONOMY'

Kanagawa County that week. However, he asserted both Mulroney and Mexican President Carlos Salinas de Gortari do his support for the plan elements of the North American Free Trade Agreement.

During the better, 12-month campaign that he was with 43 per cent of the popular vote (compared to 38 per cent for Bush and 19 per cent for Texas millionaire Ross Perot), Clinton was less zealous about other issues.

Defense: Clinton will probably follow Bush's gun-towards smaller, more subtle and better-equipped ground forces. He has also indicated that he will cut spending on the Strategic Defense Initiative, popularly known as Star Wars, bring home all 15,000 U.S. soldiers troops from Europe, leaving fewer than 100,000 there at the end of four years, reduce the navy's carrier fleet to 30 from 12 and end the but no homosexuals in the military. Most frequently mentioned among possible successors to Defense Secretary Dick Cheney: Democratic Senator Sen. Norm Coleman, Representative Les Aspin of Wisconsin, Sen. McClellan of Oklahoma and Indiana Representative Les Hamilton, chairman of the House Foreign Affairs Committee.

Foreign policy: Using China as an example, Clinton has promised to take a tougher approach to Russia. He also said he will support the Middle East peace talks, announce for "bolstering Russia's fledgling democracy," as well to be involved in the Balkans and help for

WOMEN AND MINORITIES ALTER THE FACE OF CONGRESS

Senate's stirring rallies. Meanwhile, Washington insiders say that Clinton will move the focus of U.S. Latin American policy away from trade and towards human rights, democratic reform and the environment. The governor quite heavily last week with Russian President Boris Yeltsin who, according to a senior Washington

THE VOTE: STATE BY STATE



was official, proposed a current term year

Canada: Clinton's personal experience of Canada is limited to a six holiday in British Columbia last year and a business luncheon speaking at Montreal in 1987 (page 36). But his proclivity to clamp down on foreign firms not paying what he called "their fair share" of U.S.

taxes made some Canadian businessmen frown. He also supports a proposal that would allow Washington to bypass the time-consuming negotiation of countervailing duties and pursue import duties that undercut U.S. products. And he is said to oppose Quebec's separatist James Bay project, arguing that the United States should explore alternative energy sources before using methods that "damage the environment and duplicate native communities."

Environment: Clinton's selection of Tennessee Senator Al Gore as his running mate joined American industry leaders. The 64-year-old Gore is widely respected for environmentalism and scientific knowledge of such complicated subjects as global warming. The next move, the appointment of a Green Team to slow down America's accounting energy consumption and steer the country towards greater efficiency and conservation.

Last Thursday evening, Clinton and his lawyer wife Hillary, together with Al and Tipper Gore, celebrated the Democratic victory by joining members of the campaign staff at a party in a Little Rock suburban house, his voice still raspy from the herpes pain of the campaign's final days, squashed out brief remarks and then walked through the crowd cheering him. He wore two buttons on his belt. One read, "Surrey I Can't Talk" and the other, "You Did a Good Job." The naming of the 57-year-old Jordan in

head of a transition team that will smooth the road to the White House was the first of thousands of appointments that Clinton will personally make or approve during the next few months. In addition to 16 cabinet posts, more than 4,000 jobs at home and abroad are expected for political appointees. As well, appointments are expected on the Supreme Court which will give Clinton an opportunity to get his liberal stamp on a judiciary more conservative after the succession of appointments by Bush and Ronald Reagan.

But no matter how domestic the events between now and Inauguration Day—and no

that the latter's record made him well to be commander-in-chief. In the end, the attacks on his Vietnam avoidance, the skepticism of a long after with Little Rock usage under Governor Flowers and what Bush called his "soft" on issues, were not enough to defeat Clinton. But nearly all polls showed that they were major factors in limiting the scale of his victory.

Still, there was no lack of enthusiasm at Little Rock's Dabbs-Dunaway Center on election day when Clinton entered to vote. "I think it's amazingly done," gushed Evelyn Tremping, a supervisor at the center. "It is so



Election night in Little Rock, the governing may be less entertaining than the campaigning

pic," she stated. "We'll let him Bill, get Governor Clinton—that sounds like fun. President? Well I don't have a problem with that."

To make sure that Clinton had no problems that night, some were preparing for the election two months ago, calling themselves the Clinton-Gore Planning Foundation, the staff of about 15, anticipating victory, quietly moved into offices in one of Little Rock's few skyscrapers. The day after the election, the group delivered a report proposing candidates for leadership roles and advising voters that would have to be confronted early in Clinton's presidency. Clinton's campaign chairman, Los Angeles lawyer Mickey Kantor, headed the foundation and was a candidate for his job of staff.

Well in advance of Inauguration Day, the focus will shift from Little Rock to Washington where three floors in a federal office building have been set aside for Clinton's staff. The federal treasury will pay \$4.5 million for Clinton's transition and a further \$1.8 million to cover the departure expenses of Bush administration officials.

The losers in the fight for the leadership of the world's most powerful nation will soon take from the scene—except, perhaps for Perot—and the winning team will not become household names for some weeks. In the interval, Americans—and a large part of the world—are bound to reflect on the tumultuous and sometimes of the 1992 campaign. They may remember President Bush declaring Democratic opponents "losers" and then apologizing, although, he said, "I thought it was funny at the time and everybody laughed." They will remember Bill Clinton wearing sunglasses and playing the saxophone on a late night TV talk show, and Perot using a large checklist to lampoon the growth of jobs in Clinton's Arkansas. They will remember the 42-year-old Flowers, who appeared made in Perot's magazine the week of the election, and recall Clinton's confession that he smoked marijuana but did not inhale. And they will probably agree with Bush's mystified observation that "it's weird out there." Last week, George Stephanopoulos, Clinton's campaign press director, said, "We've all been very focused on winning this election. The business of governing comes next." The governing may not turn out to be less entertaining than the process of winning.

RAE CORRELLI with ANJALY MACKENZIE in Little Rock and CHRIS HOGG in Dallas

BREAKING INTO THE MEN'S ROOM

For the hour, listening to the speakers at Berkeley House's victory party in San Francisco last week said it all: Clinton was doing it for himself. "House," said a Democratic congressman from California since 1983, had put better Republican broadcast than House Republican in one of two Senate seats in America's most populous state. In the other, former San Francisco Mayor Dianne Feinstein, 58, defeated Republican Senator John Seymour, making Clinton the first white ever to fill both Senate seats with women. "We will be 'Cagney and Lacey,' a two-two pack for the title of California—decided a year ago," Washington declared or somewhere we come."

The California duo will have more female company than ever when the 103rd Congress convenes in January. In the so-called

"Year of the Woman," a record 17 women ran for the Senate, five of them—all Democrats—successfully. Nancy Kassebaum of Kansas, who was not up for re-election this year, assumed the role female Republican in the Senate, Missouri, 48, of the record 196 women running for the 435-member House of Representatives were elected. In all, 54 women will sit at the new Congress—44 of them in the 100-member Senate. Among them Illinois Democrat Carol Mosley Braun, who became the Senate's first black woman, said President. "I'm disappointed there isn't a man of us, but it's clear the door is wide open."

What gratified many women who federal politics were the confirmation hearings of Supreme Court nominee Clarence Thomas on October 1992. Many women were angered when members of the all-male Senate Judiciary committee openly derided Anita Harris assistant that Thomas had sexually harassed her. Female fund-raising groups helped to channel that anger into effective political action. Clinton's (only money in his year) last distributed as much as \$7.5 million to Democratic women

candidates, while the parallel Republicans won (Women in the Senate and House) last contributed about \$122,000 to its candidates. And three bipartisan fund-raising groups, including the National Republican Women's PAC, provided a total of about \$2.5 million to women office-seekers.

But even so, most of these other Democratic women—Beverly Perot Murray of Washington state and Lynn Swann of Pennsylvania—said that the Bill-Thomas affair put them back to run for the Senate. Only Virginia was mentioned. A house's close run to Senator Arlen Specter, who sparked heated criticism for his hostile grilling of Hill. But despite Specter's slim victory, this year's election signaled a break from male-dominated politics. Being the gains made by women combined with political gains. As included said, "It will make a difference on the issues because women carry different experiences in life." Across the country, millions of women already agreed.

ANDREW BELSKI

rather what successes and mistakes may shape the Clinton presidency—Americans are not likely to forget the dumping, often-shrewdly, political spectacle that beset them for the past year. In the end, it drove them to the polls on Nov. 3 in sharply increased numbers—55 per cent of all eligible voted, the highest turnout in 20 years. And, in the process, they transformed a political war waged by the Second World War and the Civil War that followed. Power passed to the lady bosses, the grassroots vote road to majority passed through the agency of Vietnam: Clinton and Gore came to symbolize America's lingering doubts over the conflict—the president-elect avoided Vietnam, but his running mate, while opposing the war, served there.

During the campaign, Bush repeatedly questioned Clinton's patriotism, suggesting

existing to know someone from Arkansas has never left it even this far. People always ask you where you're from and you say, 'Little Rock,' and they ask you, 'Where is that?' She pulled out her chart. 'Well, son I'm gonna say I'm from Little Rock and we made it to the top.' Pensively Anne Mae Strong could not contain her pride. "I'm walking away walking state," she said. "But today I put it down when they told me, my president was coming here."

At the Old State House, volunteer Anne Price said that Clinton "pulled in as tight the 50th century by the hair of my head. He's looking at birth-rate, at poor systems of social medicine. People here can't afford to go to the doctor." Price, who teaches child development, said that Clinton joined for special programs such as Arts, and that Clinton, she is from Hope, Ark., and said that she knew his family well. "They are just plain ordinary peo-

ple," she stated. "We'll let him Bill, get Governor Clinton—that sounds like fun. President? Well I don't have a problem with that."

RAE CORRELLI with ANJALY MACKENZIE in Little Rock and CHRIS HOGG in Dallas



Perot and his family: 'no motorcade, no cosmetologists, no handlers'

'FROM THE HEART'

THE CAMPAIGN BROKE THE RULES

In his last appearance of the 1990 campaign, independent presidential candidate Ross Perot addressed a luncheon rally of about 5,000 enthusiastic home-town supporters in Dallas's Reunion Arena. With a tiny smile, Perot noted that his rivals were dismissing him as crazy. "Now," he continued brightly, "while we're on the crazy theme, I've got a theme song for my campaign." On cue, the band struck the opening chords of a country music standard that was instantly and tolerantly familiar to the north Texas audience: Patsy Cline's electrifying ballad, *Crazy* (For Loving You). Grinning broadly, Perot swept his teenage daughter, Kallisto, from her seat and walked her across the stage in tumultuous applause. In a bizarre political year, Ross Perot had once again demonstrated that he was, as the saying goes, crazy like a fox.

While he may not be the "out" that President George Bush described, the flamboyant Texas ally flayed the role of the campaign's court jester—even as he caudoned chaotic road shows and kept both his rivals off balance. Perot's campaign was played out almost entirely on television, from its inception on CNN's *Larry King Live* to its use of half-hour "afternoons" to deliver his delirious-reducing message. The final weeks of what's now fifth of the popular vote was the best result for an independent candidate since Theodore Roosevelt

took won 25 percent support in 1912. And it seemed to give Perot an opening to would influence over U.S. politics in the years ahead. Perot's personality was in rift with ambiguity in his off-stage, on-stage candidacy. A billionaire who spent an estimated \$70 million of his own money on the campaign, he still described himself as "a stray cat dog with ticks and fleas that you pick up down at the pound." Perot repeatedly asserted that he was the target of conspiracies, ranging from a Vietnamese jet squad bruck, he alleged, planned to attack his family from a base in Canada to a Republican plot to send his daughter Carolyn's wedding tent August by releasing a declared photo in which her hand would appear on another woman's naked body.

Patriot: Perot's supporters saw him as a patriot who was prepared to put his wealth where his convictions were, and to tell them the unvarnished truth about what was needed to set America right. "Bare as Daddy Warbucks," said one head-bowed placard at the Dallas rally. But to others in the crowd, Perot's wealth seemed of secondary importance. "He just talks good sense," said Walter Kerr, a retired lawyer from Tyler, Tex. Admit Kerr's wife, Sarah, a teacher. "He is somebody I can be comfortable about."

That enthusiasm encouraged every supporter to look beyond the cold reality of Perot's

third-place finish towards a permanent political role for United We Stand America, the organization Perot founded and headed to run his campaign. "This is just the beginning of the movement," enthused sales representative Peggy Field of Richardson, Tex. But while ducking the question of taking a second run at the presidency in 1996, Perot assured his supporters that he remained at their disposal "anytime, anywhere."

But chances that United We Stand could transform itself into a third party to contest future elections behind a different candidate remains a long shot. The movement appears to have few unifying principles beyond its support for Perot and its intense dislike for politics as usual. Perot's exorbitant campaign, concluded Stephen Hess, of Washington's Brookings Institution, "doesn't give us any lessons for the future. There aren't many times you can expect an epicentre billionaire to emerge and avoid the United States and avoid how we see each of his own money to do it."

But political professionals may not be able to ignore the burning lessons of Perot's run for the White House: in the Dallas finale in his campaign, the candidate delighted in boasting that he had beaten his rivals in three presidential debates, despite their legions of aides and advisers. Perot told his audience that he had prepared for the first event by talking to fellow persons in a backroom. After that, he said, he drove to the audience in a rented sedan. "No motorcade, no cosmetologists, no handlers," he declared. "We just went out there and spoke from the heart and did all right." To supporters, Perot's success was a refreshing sign that American voters are ready to reward candor from their leaders. It could also create the most lasting paradox of his legacy: the ardent anti-politicians of 1990 could end up writing the primer on politicking in the age of tabloid television.

CHRIS WOOD is in Dallas

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CLINTON AND CANADA

THE ERA OF COZY RELATIONS MAY BE OVER

More than 20 years after they studied together at Oxford, Montrealer Richard French still has vivid memories of the smiling, outgoing classmate who, he recalls, "was much more of a social animal" than most other students. Among the elite group of Rhodes Scholarship students from North America at Oxford University, Bill Clinton "knew more people and was the guy that most would remember of the whole class," French said last week. "He was the one most conspicuously interested in other people."

From French became a member of Quebec's National Assembly from the riding of Westmount in the 1990s, he recognized similar characteristics in one of his constituents: Brian Mulroney. "They both have an acute understanding of human nature and are instinctive politicians," said French, now a senior vice-president with Bell Canada Enterprises in Montreal. And because of that, French—one of the few people with firsthand knowledge of both men—has little doubt about how the two leaders will relate to each other when they meet for the first time. Mulroney and Clinton, predicted French, "will get along like a house on fire."

The first chance to establish that Mulroney would live last week, when Mulroney, vacationing in West Palm Beach, Fla., rejoined Clinton in Little Rock, Ark. Their 15-minute conversation ended privately with shared economic interests, from the role that Clinton will play at the next G-7 summit of the world's largest industrialized nations, to the state of the North American Free Trade Agreement (NAFTA) and the crumbling international ties to the General Agreement on Tariffs and Trade (GATT).

French, Mulroney also invited Clinton to visit Canada, traditionally the first foreign visit for an American president after taking office. Although Clinton did not formally respond to that invitation, one Mulroney associate said that the tone of the president-elect's remarks demonstrated "a remarkable degree of knowledge about both Canada and the Prime Minister." Mulroney also telephoned and sent a personal note to vice-president-elect Al



Clinton blowing his saxophone: a new way of doing business

Gore—they met at the Earth Summit in Brazil in June.

There calls demonstrated Mulroney's determination to build the same cozy, informal relationship with Clinton that he forged with former president Ronald Reagan from 1984 to 1988, and subsequently with President George Bush. But when Clinton takes office next January, both leaders will probably find the tone of their dealings dictated by a series of events that are beyond their control. Among them, the juxtaposition of early elections on both sides of the border that their leaders focus on domestic, economic concerns and, within Canada, grow-

ing questions about Mulroney's political future in an election year.

The two countries may find themselves on a collision course in several areas, particularly over NAFTA, to which Clinton has said he wants supplementary agreements, and by the possibility that the president-elect may be driven by America's ailing economy to impose new protectionist trade measures. As well, Clinton says that his administration will collect an additional \$54 billion in taxes from foreign—including Canadian—firms with operations in the United States (page 45). Said Dr. Victor Kozmin, an American political scientist who is now the Ottawa-based representative of the Polakoff Foundation: "The Prime Minister is likely to find that a new president from a different political party may translate into a new and different way of doing business."

Realpolitik? Still, Kozmin and other analysts interviewed by Maclean's say that it is unlikely Clinton will take any direct steps that will risk harming the warm relations between the two countries. Instead, there is a more subtle danger. Said one senior official at Canada's embassy in Washington: "The biggest challenge for Clinton is reacting to the trend towards

isolationism in the United States." Such a scenario isolates neighboring nations for Canadian industry and politicians, who recall the discomfiting 1977 experience when President Richard Nixon imposed a 30-per-cent surcharge on some goods imported into the United States. That measure infuriated Canada because, as White House officials later acknowledged, Nixon simply failed to make an exception for America's largest trading partner. Canada was an exception from the white after-Prime Minister Pierre Trudeau made a hasty trip to Washington to plead Canada's case.

Most analysts say that a rejection of the Nixon doctrine is unlikely. Said Stephen Black, the head of the New York City-based Society of the Americas "Canada and the United States are now so inextricably linked economically that a report of that kind of isolation would be virtually impossible." But there is some concern in Ottawa about short-term uncertainty. Not only will Mulroney and Clinton be dealing with each other, but both governments are expecting a turnover of key agencies. Devel-

opment relations with Canada. Even so, Clinton will enjoy the White House having had almost no direct contact with America's northern neighbor. The Arkansas governor's first visit to Canada was in 1987, when he spent one day in Montreal speaking to a conference of international city managers. He made his second visit last year, when he and his family took a side vacation in British Columbia. And, because Clinton concentrated almost entirely on domestic, economic issues during his campaign,



Mulroney: a preference for personal politics and informal relationships

opment Canada's highly respected ambassador in Washington, has mentioned his resignation in his latest campaign ads, but he is expected to resign in January in order to allow Clinton to put his own appointee in place.

Still, the strength of the well-established, cross-border relationship normally means that it does not suffer when new presidents take office, no matter how right their own

his positions as a number of bilateral issues remain either unclear or undefined—and the recent of his Clinton campaign advisers are equally unimpressed. Said Black: "One might have wished that he could have managed at least one sentence in his acceptance speech to acknowledge our neighbor and largest trading partner."

That is a far cry from recent years, when Mulroney often hosted of his first acceptance speech with Bush—and how his new appointment to the President by telephone gave Canada what he once called "an unequalled relationship with the most powerful country in the

world." Mulroney's supporters have always argued that the close ties produced direct benefits for Canada, such as the Prime Minister's successful efforts to persuade Bush in 1990 to agree to a full lifting of American sanctions on Cuba, despite the objections of many officials in his administration.

But for political opponents also had drawbacks for Canada. Critics at the opposition Liberal and New Democratic parties argue that the friendly relationship was only buttressed by Mulroney's willingness to appease White House calls for international support for its foreign ventures. They cite Ottawa's subscription to such controversial policies as the 1989 armed overthrow of Panamanian dictator Manuel Noriega. Said Liberal external affairs critic Lloyd Austin: "We tell into traps the color of the Panama mission simply because of this very little club atmosphere which had developed."

And even Mulroney supporters acknowledge that his friendship with Bush raised more than political dividends, largely because of the leadership and involvement of many Canadians towards their powerful neighbor. The Mulroney family's annual August visit to Walter's Peak, Bush's summer compound in Kennebunkport, Me., "turns in many Canadians off as a token sign of their so-called 'Judeo-Christian' values," a longtime Tory activist and westerner chief of staff to then-external affairs minister Joe Clark.

Reverence: But Canadians will be affected by Clinton's presidency, even when his eyes are bent firmly on America's own internal problems. For one thing, however, for a Canadian economy slowly sliding into Clinton's ability to end the free, three-year-old American embargo, which would increase demand for some Canadian-made goods. And some of Clinton's administration plans are likely to spur calls for similar measures in Canada. Canadian analysts say that the new president's proposal to create a federal workers' compensation package is certain to put pressure on the Tories to abandon the present Canadian system, which currently offers more than 400 municipal, provincial and federal programs for laid-off workers. Declared Charles McMillan, a York University professor of administrative studies and former senior adviser to Mulroney: "The challenge for us—and I am not sure Clinton is up to it—is to have our own initiatives and policies in place."

More poignantly, Clinton's selection of running mate Gore—who has made environmental issues a foundation of his political persona—may ease Ottawa's quest for higher environmental standards. Since Reagan's election in 1980, successive Liberal governments have had difficulty negotiating environmental agreements with the United States because the Reagan and Bush administrations maintained that stronger standards could harm industry and eliminate jobs. Now, the Liberal government and the Clinton-Gore, both's external affairs critic, David Robertson, said that they should change, leading to greater cooperation in such areas of shared responsi-

THE TORIES MAY BE PRESSED TO MATCH CLINTON'S ACTIVISM

bility in closing the polluted Great Lakes and strengthening the existing Clean Air Act. Said Mulroney: "A Clinton-Gore administration will have a serious commitment to protecting the environment and, clearly, that has a major impact on us."

But perhaps most unsettling for veteran federal politicians would be any spill-over into Canada of the American voters' call for a change of leaders and new political directions. A fresh, activist administration may have the effect of making Canada's current crop of leaders—including both Mulroney and Liberal leader Jean Chrétien—appear comparatively aged and bankrupt of ideas. Simply repeating the mantra that Canadians must rely on market forces to lift the country out of the economic doldrums, as Finance Minister Donald Macdonald last week, may pale in appeal beside Clinton's determination to prove that governments should play a leading role in steering national economies.

Political opponents say that trend will translate into electoral defeat for Mulroney if he decides to stay and fight another election. Clinton's inauguration in January will take place at precisely the time that Mulroney is likely to make his own final decision on whether to run again. Even Mulroney's close associates acknowledge that he will use the

period between now and January to measure whether his chances of being re-elected are likely to improve.

At the same time, Mulroney may be encouraged by predictions from some analysts that Clinton's election will have little bearing on Canadian voter preferences. At most, said pollster Michael Adams of the Toronto-based Environics firm, "the value of the American election is like the Blue Jays winning the World Series. It's interesting entertainment." But others suggest that Bush's defeat may have a

more subtle effect on the already embattled Mulroney. Said Victor Kornd: "In the past, when he or Bush were down in the dumps, they had the kind of rapport where they could

phone and commiserate with each other." Now, added Kornd, "he will not have that with Clinton—and I think that is going to make Brian Mulroney a much more lonely leader."

That fact may weigh on Mulroney as the months ahead as he seeks to determine whether he can succeed where Bush could not—or if he even still wants to try.

ANTHONY WILSON-SMITH and
NANCY ROGO in Ottawa and
HELENA MACKENZIE in Washington



A demonstration against NAFTA in Toronto: protectionist pressures on both sides

and shored up if through the U.S. Congress intact. International Trade Minister Michael Wilson said that Clinton's concerns about labor standards and the environment can be dealt with outside the NAFTA agreement. Added Wilson: "We are already in the course of negotiating some of these with the outgoing administration."

But NAFTA opponents in the United States say that they still hold out hope that Clinton will delay or reopen the pact. William Cunningham, a lobbyist in Washington for the American Federation of Labor-Congress of Industrial Organizations, the U.S. umbrella labor organization, said that Clinton should not try to push the agreement through Congress during his critical first 100 days in office. "A large proportion of the population and the Congress perceive this thing as a job issue," said Cunningham, his added: "A new president traditionally has a honeymoon. This could be the first step leading to a divorce."

Must trade analysts, however, say that Clinton has little room to make changes to the deal. The 2,000-page agreement itself establishes so strict economic environmental and labor standards it stipulates that the countries may not lower existing standards to attract investment. But Peter Mesa, for one, a professor of economics at the University of Miami, said that the Mexicans will not allow the other two countries to establish and enforce higher standards there. He added that if Clinton wants to post-adjustment programs for U.S. workers who lose their jobs because of free trade, that is purely a domestic issue.

Still, the final decision on whether to press for changes in NAFTA is Clinton's. And only when he makes his position clear will proponents and opponents of the deal stop second-guessing him.

JOHN DALY

THE TRADE DEAL FACES DISSSECTION

DAN COHEN/REUTERS

Bill Clinton broiled during the U.S. presidential election campaign each time President George Bush accused him of waffling or stalling out ground on both sides of the issue. In the case of the proposed North American Free Trade Agreement (NAFTA) between the United States, Canada and Mexico, however, that day was undeniably true. After touring through beleaguered midwestern industrial towns for months and riding against the wishes of U.S. manufacturing jobs to Mexico and other foreign countries, Clinton finally endorsed the pact in a speech to university students in North Carolina on Oct. 4. But he added that he would not sign it and supplemental agreements dealing with environmental and labor standards in Mexico were concluded.

As president, Clinton will have to give a firm Yes or No to the accord. But so far while he and his advisers gathered behind closed doors in Little Rock, Ark., to draw up a blueprint for the next four years, both supporters and opponents of NAFTA said that they were still mortified at exactly what Clinton will do. Canadian trade officials expressed confidence that Clinton will sign the agreement



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Head-on car crash in Ohio: largest foreign firms

injuries—and higher incomes for the foreign-based parents, many of which receive more favorable tax treatment at home.

To support those claims, conservative think-tank International Revenue Service (IRS) statistics which show that foreign-owned firms in the United States, on average, earn a lower rate of return on their assets and actually the underperforming Ontario firm of Lone Star, Galtchuk went to the University of California in 1991 to work on a doctorate based on studies based at the University of Guelph. He has been a committed Democratic Party supporter ever since. His new book, *The Culture of Contentment*, which prescribes that Bill Clinton need not be so concerned for his attack on America's selfishness ruling after New 84, Galtchuk lives in Cambridge, Mass., where he spoke to Maclean's Associate Editor Victor Gumpel by telephone.

COVER

CANADIANS FEAR A TAX SLAP

FOREIGN BUSINESSES MAY HAVE TO PAY

Two-time pulp-and-paper executive John Maclean says that Bill Clinton's tax proposals could be disastrous, and that other Canadians have been warned with companies that have extensive holdings in the United States should worry as well. Faced with having to raise new revenue for his ambitious spending plans over the next four years, Clinton claimed during the presidential election campaign that he could collect \$50 billion over that time by stricter enforcement of tax laws on foreign-owned companies. Maclean is the director of taxation for Abitibi-Price Inc., which last year earned \$444 million of its \$2.8 billion in revenues from its U.S. operations. He says that if Clinton enacts his proposals, Abitibi and other Canadian companies could end up paying a larger share of that tax. Although Clinton clearly has his eye on Japanese-owned firms, Maclean says that Canadian multinationals will be trapped in the same net unless Ottawa comes to their aid. "It's something that the government should be addressing with the incoming administration," says Maclean. "Canada could get caught up in the Japanese trap."

Last week, however, Canadian officials tried to distance Clinton's plan as campaign rhetoric.

Said International Trade Minister Michael Wilson: "Let's not how things have in the course of development of real policy following the election." Indeed, tax experts on both sides of the border agree that Clinton's proposals are vague and that some of them violate longstanding international treaties on taxation of multinational companies. But Clinton is also under considerable pressure from protectionist congressmen to get tough with foreign corporations. See John Temes on Affiliates, this page. "We need to be clearer," says Wilson. "We need to be clearer." "We need to be clearer," says Wilson. "We need to be clearer."

Profits: That protectionist pressure has already had a strong influence on Clinton. His tax plan and his revenue estimates arise, in large part, from the debate surrounding a controversial bill sponsored by Dan Rostenkowski, chairman of the House of Representatives ways and means committee. Rostenkowski alleges that many foreign firms artificially minimize the profits of their U.S. subsidiaries—and thus U.S. corporate income tax bill—by expensing accounting overhead. Specifically, he says that these U.S. subsidiaries claim inflated prices for parts and supplies that they buy from their parent companies. Those inflated costs produce lower taxable profits from the U.S. sub-

sidiaries—and higher incomes for the foreign-based parents, many of which receive more favorable tax treatment at home.

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However, Clinton says he will review the proposals when he takes office in January. The \$50 billion in new revenue that he projected is close to one-third of the \$150 billion in new revenues that he intends to raise over the next four years. And there are few other sources that he can tap to replace that projected income.

Tax analysts claim that it is unfair to lump Canadian multinationals in with companies that may be shifting profits out of the United States. Because corporate tax rates in Canada are higher on average than those in the United States, they say that there is no incentive for Canadian firms to shift their tax burden back to Canada. Still, Abitibi's Maclean says that it is naive for Canadians to expect any favorable treatment. "It is easier for the IRS to apply things across the board than to treat each country differently," says Maclean. "I don't want to sound alarmist at this point, but we have to watch this very carefully." Clearly, as the race to create new sources of revenue, the Clinton administration will be closely watched by many worried Canadian business leaders.

JOHN DEMPSEY with GLEN ALLEN in Ottawa and JOHN CARRAN in Toronto

COVER

A LIBERAL WELCOME

CLINTON GETS ADVICE TO BORROW AND SPEND

An economic adviser and diplomat by profession, John Kenneth Galbraith is widely regarded as America's foremost liberal thinker. Born not only the son of the underdog Ontario firm of Lone Star, Galtchuk went to the University of California in 1991 to work on a doctorate based on studies based at the University of Guelph. He has been a committed Democratic Party supporter ever since. His new book, *The Culture of Contentment*, which prescribes that Bill Clinton need not be so concerned for his attack on America's selfishness ruling after New 84, Galtchuk lives in Cambridge, Mass., where he spoke to Maclean's Associate Editor Victor Gumpel by telephone.

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Galbraith: Certainly not. I haven't worked on a presidential campaign since 1968. There are some lessons associated with that age.

Maclean's: What is your reaction to the deficit?

Galbraith: I think that is a very good news. We move from George Bush's committed reaction to the possibility of getting something done.

Maclean's: His supply-side economics have been hated and discredited, haven't they?

Galbraith: I would certainly hope so. It was only a cover story for reaching Reagan's and Bush's supporters. It never had economic merit.

Maclean's: Is the U.S. economy in such a state that massive trade now that it needs a New Deal-style kind of government?

Galbraith: Absolutely. We need to have a lot of energetic people come to Washington determined to address three things. First, the economy, and that means public job creation, that wouldn't be accomplished by paper. Second, we need to have a strong program in the central cities, which are in terrible shape. Third, we need to have a health-care program, heavily spending, along Canadian lines. Canada has never been so popular to the United States on any subject since that it is now on the subject of its health-care system.

Maclean's: In January 200 days, what people should Clinton do in the first days of his presidency?

Galbraith: I think the 200 days scenario is nothing more than a cliché. He has four years to prove himself.

Maclean's: What, specifically, should he do in a first year?

Galbraith: This can't be done overnight. But a broad program on the infrastructure: roads, bridges, airports, mass transportation, housing, schools, schools—the sort of thing that the Japanese are doing and that the Canadian government is thinking of. That will require transferring funds from the deficit budget, which is a very expensive way of providing jobs. And it

will require putting a new tax on the rich, which president-elect Clinton has already proposed.

Maclean's: But Clinton has promised to cut the deficit by half.

Galbraith: That will have to be postponed.

Maclean's: He worked with John F. Kennedy and knew him well. How does Clinton compare with Kennedy in liberalism and politics?

Galbraith: The greatest thing they share is that they represent a younger generation taking power, and I'm all for that, bringing a new group of eager people to Washington, people who respect government as an opportunity and not a burden.

Maclean's: What are Clinton's biggest strengths?

Galbraith: I would say his background. He has an excellent education and strong public experience. Being governor of a poor state like Arkansas is no little exercise. His greatest

single weakness is the scale of the problems he faces—the problem of quickly getting jobs for people in really an enormous challenge.

Maclean's: Despite his support for free trade, some of Clinton's economic rhetoric is pretty nationalistic, his targeting of multinationals for new taxes, for example. Is there a danger that he will become protectionist?

Galbraith: Don't worry about that. In an election year, where administration and protection are concerned one should always derive rhetoric from reality.

Maclean's: Can the Canadian government afford to operate under conservative pressures like Clinton or Clinton labor power and not set in prior that governments can do anything?

Galbraith: My family are longtime Liberals in Ontario, and I should hope that Bill Clinton will be an inspiration for both the Liberals and the new in Canada. But I will stress one point: I have had a lifelong rage against allowing Canadians on politics. If I were doing it I should have stayed in Canada.

Maclean's: Is there any particular danger that you would advise Clinton to look out for?

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will require putting a new tax on the rich, which president-elect Clinton has already proposed.

A MAN OF HOPE (ARK.)

BILL CLINTON LEARNED EARLY TO FIGHT BACK

He was first elected governor in 1978. Some sources, already, mentioned that young man as governor of a small state, a future president. The likelihood is that [Bill] Clinton will emerge as a regional political figure of note—as an upholder of some accomplishment list of limited national ambitions.

—Excerpts from the substantive *Albion* of American Politics, 1990

Bill Clinton's earlier biographers might be forgiven their blunder. At the time, the youthful governor of Arkansas had given little to outward indication that he had set his sights on even higher office. And despite the fact that he had more than humble origins to the governor's mansion through hard work and considerable intellect, there were more prominent and esteemed Democrats than clanking the party colors. That last week, the 46-year-old Clinton was clearly a far cry from "a regional political figure." During the early 60s, he had deflected criticism, President George Bush to bring an end to 13 years of Republican rule. He was president-elect Bill Clinton.

There was little in Clinton's early childhood to indicate that he would one day sit that grandiose Arkansas throne. He was born in the little town of Hope, in the southwest corner of the state, on Aug. 19, 1946, to a 39-year-old widowed mother of extremely modest means. Three months earlier, his father, William Blythe, a traveling heavy machinery salesman, died in a tragic car accident. The 39-year-old Blythe was thrown from his car, leaving unconscious in a ditch where he drowned. Memories: Fatherless, young Billy Blythe—as Clinton was known until he was 16—was raised by his maternal grandparents while his mother, Virginia, studied in Louisville to become a nurse-anesthetist. One of his earliest memories is of a lonely goodbye at the railway station in Hope when he was returning to school after a visit. "I remember my mother crying and actually holding onto my leg knees to the railbed," Clinton has recalled. "And my grandmother was saying, 'She's doing this for you.'"

When Billy was four, his mother returned to Hope and married automobile salesman Roger Clinton. Shortly after the wedding, the family moved to Hot Springs—a town and suburb of Little Rock then known for its rowdy nightlife and illegal gambling—where Roger Clinton took a job as a service manager in his brother's

Black dealership. That Roger was an alcoholic who sometimes turned violent. "I remember when I was five or six and he was screaming at my mother and he actually fired a gun on the house," Bill Clinton has said. "There was a bullet hole in the wall. I had to live with that bullet hole, look at it every day."

Virginia Clinton had a second son, Roger, when Billy was 10. But the senior Roger continued to drink. Despite the emotional hardship of his troubled home life, Billy excelled in his studies and demonstrated a natural aptitude for music. He played saxophone for the Hot Springs High School Trojans band and went to music camp for six summers. But when he was 14, something happened that forever changed his life—and the life of his family. The teenager decided to confront his stepfather and put an end to the domestic violence that was tearing his parents apart. "I broke down the door at his room one night when they were having an argument," Bill Clinton has recalled, "and told him [but] I was bigger than him now and I was never his son any more of this while I was there." And although shortly after the incident his parents divorced, they were soon remarried and the beatings stopped. In a portrait of family unity, Bill Blythe, then 18, took his stepfather's name, becoming Bill Clinton.

In high school, Clinton considered becoming a doctor or a musician. But at the summer of

1963, as a delegate at Boy's Nation, an American Legion-sponsored civic program, he traveled to Washington. There, he met his hero, President John F. Kennedy, at the White House. From that point on, Clinton has often said, he was determined to devote himself to public service.

Education: The next year, Clinton attended Georgetown University in the nation's capital. While working part time as an assistant to Arkansas Senator William Fulbright, he earned a degree in foreign policy. And in 1968, after his stepfather died of cancer, Clinton went to Oxford University in England, where, as a Rhodes Scholar, he studied political science. An opponent of the Vietnam War, he avoided the draft by promising to attend a Reserve Officers Training Corps program at the University of Arkansas on his return. But that fall, Clinton changed his mind, loudly made himself eligible for the draft and, after drawing a high number as a selective service lottery, returned to the United States in 1970 and enrolled in Yale Law School.

At Yale, Clinton met Hillary Rodham, a bright, young student from Park Ridge, Ill. The two began dating, worked together on Democrat George McGovern's unsuccessful campaign for the presidency in 1972,

While many first ladies have used their position to launch projects ranging from volunteerism to literacy, never before has the wife of a president had a career of her own. Three times as out of the country's 100 most influential women by the *National Law Journal*, Hillary Clinton has earned a reputation as a brilliant litigator with a sharp intellect practicing with Arkansas's prestigious Rose Law Firm. A former member of several corporate and public-interest boards, she has been active in causes ranging from educational reforms to providing legal assistance to the poor. And the Yale Law School graduate has made it clear that she intends to play a "comprehensive" role as the president's wife, offering advice to her husband once he moves into the Oval Office. "The idea that I would check my brain at the White House door," she said during the campaign, "is something that just doesn't say any sense to me."

Her active involvement in election strategy led Bill Clinton to appoint her the campaign chair



DAVID J. PHILLIPS

Hillary and Bill Clinton on election night: "Following your heart is never wrong"

by electing him, voters could "leg me, get me free." And she also was instrumental in defeating her husband's charges of having a long-standing affair with Gennifer Flowers, a sometimes lounge singer. But many traditionalists were opposed to her direct involvement in the campaign. "If the wife comes through as being too strong and too intelligent," said former president Richard Nixon, "it makes the husband look like a wimp." Responding to the attacks, the Democrats began to downplay Hillary Clinton's influence, stressing that, although she had a successful career outside, she had been a committed spouse during 17 years of marriage and a loving mother to the couple's 12-year-old daughter.

ter, Chelsea. And she began to play a less prominent role in the campaign, often going privately at her husband during his speeches rather than seeking the spotlight herself. But Republicans continued to claim the offense against her, claiming that the governor's wife was a member of "the liberal, radical wing of the feminist movement." They used her own legal limits, out of context, to claim that she allowed marriage to slavery and encouraged children to run their parents. And they implied that by pursuing a career, she had put her own interests above those of her family. But the smarts appeared to backfire, with many voters—especially working women,

and soon fell in love. After graduating from Yale in 1973, Clinton taught law at the University of Arkansas in Fayetteville for two years.

In 1974, Clinton convinced Rodham—who had been working in Washington with the House Judiciary Committee in the preparation of the impeachment case against President Richard Nixon—to move to Arkansas. "I had no choice but to follow my heart there," she has since said. "Following your heart is never wrong." In 1976, the year after they were married, Clinton was elected state attorney general and became well known as a consumer advocate, fighting utility rate hikes and pushing for stricter environmental controls.

After one term as attorney general, Clinton was elected governor in 1978, becoming, at 32, the youngest sitting state chief executive in the country in his first two-year term, his overview as activist liberal administration, opening rural health clinics and raising school budgets by 40 percent. But Clinton also made political miscalculations. He took on the powerful timber industry by opposing clear-cut logging and substantially increased the state's income-tax rate to improve roads. Provoked by voters as harsh and arrogant, in 1982—the year that his only child, Chelsea, was born—he failed to win re-election. It seemed that Clinton's political career had ended almost as soon as it began.

Fighter: But Bill Clinton proved to be a fighter. He decided that the best way back to the governor's mansion was to admit that he had been "out of touch" and apologized for rising highway taxes. Meanwhile, Rodham, who in conservative Arkansas was criticized for keeping her maiden name after marriage, took her husband's surname. Re-elected in 1982, Clinton declared: "I have been given something that few people get: a life—a second chance." He has been governor of Arkansas ever since.

In the poverty-stricken state, he has spearheaded an ambitious educational reform pro-

pose a majority of teachers in the United States—expressing disgust at the attacks on her character.

For her part, Hillary Clinton has proved that there was a conscious effort to give her a mission, a challenge, a calling. Just that she realized that voters were getting a false impression of her. "It wasn't that I changed," she said in her defense. "It was that I grew in my understanding of how better to communicate what I care about and who I am." And having predicted that a woman will lead the country by 2012, she has also said: "The presidency has not yet experienced the change in relationships and roles that have been played out everywhere else but there." That claim is undoubtedly open to debate. But in January, Hillary Clinton will almost certainly use her new position to attempt to prove her point.

SCOTT STEIN

MEETING PRESIDENT KENNEDY AT 16 IMPRESSED CLINTON

gram requiring mandatory testing, smaller classes and higher standards. Clinton has also attracted investment to the state by offering tax credits to new and expanding businesses, creating 280,000 new jobs over the past decade.

The governor's detractors claim that he has been soft on polluters and has favored industry over workers. His equivocation on controversial issues earned him the nickname "Blick Willie" from critics. But supporters prefer to describe him as a consensus-builder. And, they agree, he has demonstrated both fairness and competence. In 1984, Clinton approved a strong opinion leading to the arrest of his half brother, Roger, after police discovered that he had been selling cocaine. Jailed for a year, Roger Clinton recovered from drug and alcohol addiction with the help of the governor, who accompanied him to therapy sessions.

With a promise to "revivify government,"

THE REVENGE OF 'OZONE MAN'

It was a lively boom (and that boomed in its own youth and exuberance throughout the campaign juggling together or scolding a football on sport tuxedos, Bill Clinton and Al Gore seldom missed an opportunity to show that they represented the arrival of a new generation of political leaders with fresh ideas. Gore, 44, has been among the most active U.S. politicians on environmental issues, and when the Tennessee senator shared the victory podium with Clinton in Little Rock, Ark., last week, his presence was a sign that green issues were about to receive unprecedented prominence in Washington policy-making. "We are hopeful," said Peter Babinetz, a spokesman for Greenpeace. "On a very broad range of environmental issues, Gore has been the most solid senator in the country."

Gore's ascendancy to the vice-presidency was also welcomed by Canadian environmentalists, who have watched Prime Minister Brian Mulroney's sometimes frustrating struggle to bring consensus to his cabinet boardroom as well as run from past Republican administration. Environmentalists from many nations have expressed admiration for Gore's voting record in Congress. He supported the 1990 U.S. Clean Air Act, which led to the landmark acid rain accord signed by Canada and the United States last year. And he secured passage of a bill to phase out ozone-depleting chemicals "Gore was way ahead of his time," said Charles McMillan, a former adviser to Mulroney who heard the senator speak to a Halifax conference on science and technology in 1989. "He linked technology to the environment and to health issues."

Clinton announced that he was seeking the Democratic nomination for the presidency on Oct. 3, 1991. But despite being the early front-runner, his campaign came to the brink of collapse several times—first over allegations that he was a warmanter and, later, when opponents questioned his credibility because



Al, Zipper Gore's high-powered "green issues"

The son of Albert Gore Sr., who spent 33 years in the House and Senate, the younger Gore is a Harvard-educated Vietnam veteran and journalist who first ran for the House of Representatives in 1976—the start of a 15-year career in Congress. Aided by his wife, Mary Elizabeth "Tipper" Gore, who later led a controversial crusade against sex and violence in rock music and videos, he was elected to the Senate in 1984. From there, Gore leaped on a wave of popularity for the presidency in 1988. The senator says that a 1986 car accident in which his young son, Albert, was nearly killed, made him reassess his life and values. He began writing a book, *Earth in the Balance: Ecology and the Human Spirit*, which became a best-seller after its publication earlier this year.

But the Republicans took their aim at Gore's convictions during the campaign. President

but had given differing accounts of how he reacted during

Clinton, once just the "prowess of a small state," began to prepare to move to Washington. The word music was in sure to bring along his two superpowers—music and science—and an extensive record collection ranging from his favorites by jazz great Stan Getz to fellower Jerry Collins. But once he takes over the Oval Office, Clinton will have many opportunities to lead a refrain that has stirred the soul of many American politicians: "Hail to the Chief!"

SCOTT STEELE

George Bush derided him as "Ozone Man" during the final days before Nov. 3, and portrayed him as a politician whose environmental extremism would lead to the loss of thousands of jobs. Gore dismissed the attack as an insult to Americans, adding "If I was forced to run on George Bush's environmental record, I might be tempted to sleep in state-calling too."

But environmental causes also have the potential to strain the relationship between Gore and Clinton, who emerged from the campaign as close friends. Clinton will be under tremendous pressure to create jobs quickly, which may lead him to put major environmental initiatives on hold. In the past, the Arkansas governor has shown a willingness to put job creation ahead of conservation. Critics allege that Clinton ignored the threat of contamination by his state's stricken and groundwater caused, they say, by waste from Arkansas's burgeoning poultry industry.

Clinton has vowed that, as president, he would strike a balance between economic growth and environmental concerns—a pledge underscored by his selection of Gore to running mate. And last week, the president-elect's advisers said that he will appoint a high-powered "green team" to cabinet positions, allowing them to steer U.S. policies away from rampant energy consumption and exploitation of natural resources. That signals a change in direction that promises a breath of fresh air—on both sides of the border.

MELANIE MACKENZIE in Washington

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THE ELECTION BRINGS NEW FACES, VALUES

OUT

Regionalism

The center-left and supply-side doctrines of economists Milton Friedman and Arthur Laffer, championed during the Reagan and Bush administrations, called for less government and lower taxes to spur growth.

Arnold Schwarzenegger

The Austrian-born musclem and actor, and husband of Maria Shriver, served as chairman of the President's Council on Physical Fitness. He earned the nickname Conan the Republican as George Bush's chief Hollywood cheerleader.

Kennelbushpork

During the Bush years, the Maine town (population 2,000) enjoyed a massive influx of dollars from tourists anxious to catch a glimpse of the President's seaside vacation compound.

Middle the White House dog

The English Springer spaniel's "autobiography" for children about written by Barbara Bush, earned the first \$800,000 in royalties last year, which they donated to charity.

Boracahoes

Next to the politician sport of tennis, poloing soon was Bush's favorite pastime.



A thousand points of light

The often-quoted phrase, first used by Bush in his acceptance speech at the 1988 Republican National Convention in New Orleans, recalled the virtues of volunteerism in the Republican era of small government.

Unfettered capitalism

In the pursuit of profits and more jobs, (downed logging and some industrial pollution were acceptable means to an end.

Randy Travis and Lee Greenwood

Country music reigned supreme at the Bush White House, where Travis's sentimental ballads and Greenwood's patriotic ditties starred the adopted Texas's soul.



Firing Line

Ultraconservative William F. Buckley's 70th birthday show was a crucible for Republicans who ruled against the liberal base of the major networks.

The National Rifle Association

The powerful lobby group, which counts Bush among its 1.5 million members, cites the Second Amendment right of all citizens "to keep and bear arms" in its opposition to all gun-control legislation.



IN

Public investment

Inspired by Harvard economist Robert Reich's 2001 book, *The Work of Nations*, Bill Clinton's government plans to promote competitiveness by investing billions of tax dollars in the country's workforce, infrastructure and research and development.



Whoopee Goldberg

The disaffected comedienne and actress, known for her benefit work for the homeless, was one of Clinton's most high-profile campaign supporters in Hollywood.

Hot Springs

The Arkansas resort town (population 35,000) is bracing for its own tourist windfall as the likely site of Clinton's vacation White House.



Socks, the White House cat

The Clinton family's feline has so far shown no inclination to write a book.

Touch football

Although an avid and high-school athlete, Clinton is an avid fan of the University of Arkansas Razorbacks and he enjoys seeing the pugilist with staff and friends.

A new covenant

Clinton's phrase for his dependence on federal handouts, in which the government's role is to provide economic opportunities and the citizen's role is to make the best of them. As Clinton is fond of saying, "a hand up, not a handout."

The spiritual owl

The Clinton administration's emphasis on the environment may help reintegrated species.



Michael Bolton

Bolton's easy-listening white soul music struck a chord with Clinton, who will likely invite the early-bird singer to entertain at White House functions.

Arsenio Hall

Clinton played saxophone on the comic's popular, late-night talk show, releasing himself to millions of young voters.

Gun control

Clinton favors the so-called Brady bill which calls for a three-day waiting period to buy a handgun, and he wants to impose more restrictions on the sale of semiautomatic assault rifles.



INNER-CITY PAIN

CHICAGO IS A TEST FOR CLINTON'S REFORMS

The civic officials who manage Chicago's Cabrera-Green public housing project call the place "a living nightmare." Shootings, burglaries and other daily misadventures in the besieged North Side neighborhood of large brick townhouses and redbrick highrises. Most citizens refuse to answer calls from addresses there. Other Chicagoans routinely detour for blocks rather than drive through the area. Those who have no choice deal with the fear in best they can. Tenants like 26-year-old Jacqueline Russell, a mother of five, confront the violence and threats of murderous drug gangs daily, leaving daily lit and grungy hallways covered with graffiti in order to reach cramped apartments. "At night," Russell told *Newsweek's*, "we just have to walk on faith." The low point came early on the morning of Oct. 13: a sniper shot and killed seven-year-old Marvyn Davis as he walked with his mother to the neighborhood school. It was a grim reminder of the magnitude of the problem facing President-elect Bill Clinton as he prepares to grapple with the problems of America's sprawling inner cities.

Weapons: The incident also illustrated some of the methods that Clinton may use in trying to improve conditions in the cities. Two weeks after the Chicago shooting, scores of representatives from local, state and federal agencies descended on the Cabrera-Green project's 56 buildings. With FBI and U.S. Drug Enforcement Administration officers looking on, Chicago Housing Authority staff, according to Davis's death, drastically stepped up the pace of a year-old program of security sweeps. Housing Authority officials checked apartments in four Cabrera-Green apartment towers for unauthorized weapons, drugs and guns, entering any offenders. Maintenance crews installed high-society entrances equipped with metal detectors and turnstiles to keep the weapons out of the buildings. "I'm all for it," said Russell's husband, Benjamin, a 31-year-old window washer. "We need to clean this up."

The need is desperate and shockingly widespread in America's cities. Despite the upcoming April vote in Los Angeles that left 58 people dead, Republican administration officials have done little toward the decline of inner cities. The result is evident in most of the

country's large inner-city ghettos: boarded-up, burned-out or abandoned businesses, entire blocks reduced to rubble, some left abandoned so long that trees sprout from mounds of broken bricks and concrete, whole neighborhoods, like Cabrera-Green, where visitors fear to tread.

In a sweeping and usually detailed campaign statement of policy goals last summer,

her area. Bell shares a one-bedroom apartment on the fifth floor of a Cabrera-Green high-rise with her six-month-old nephew. She escaped here after his mother, a drug addict, became unable to care for him. She said that she, too, is afraid of "the gang-bangers downstairs with the drugs and the shooting." Until the recent round of Housing Authority sweeps she said, violence was nearly constant in the building.



Police searching youths for weapons at Cabrera-Green: an epitome of violence

Clinton and his running mate, Senator Al Gore, promised to attack the blight in America's cities with everything from a reinforced police presence and welfare reform to a new network of neighborhood development banks. Many of their proposals drew on attempts already underway to address the grotesquely savage problems in Chicago. With the election now over, the third-largest U.S. city becomes a proving test case for Clinton's readiness to match campaign rhetoric with action.

Nowhere, certainly, are the ills of urban America more depressingly visible than in the Windy City. Single father-daughter Sandra Bell knows well why other Chicago residents avoid

Soul Bell. "They fight over turf. Every night after ten o'clock till two or three in the morning—that's when they get involved."

Previews: After the shock that followed Duane's death, the mid-October murder, Chicago Mayor Richard Daley Jr. promised a consultation on the epidemic of violence at the city's 69 public-housing projects. Before it, almost 90,000 people in addition to the sweeps, placed measures inside making off-limits of the most displaced highrises at Cabrera-Green. And there were promises to provide better recreation facilities for project residents. Ten years later Bell welcomed the increased security promised by the sweeps, but many remained

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depth of the mayor's commitment to long-term improvement in the projects that they're going to fight about as again."

Clinton and Gore may indeed have raised expectations that they will find it difficult to fulfill in a book over which the two Democrats, their respective staffs and the Chicago Housing Authority's Oversight Clean Sweep security initiative as part of a "new partnership to rebuild America's cities." With the stated goal of "Putting People First" as the book's title boasts, the Democrats proposed hiring 100,000 additional police officers and reforming the welfare system. As well, they called for the creation of national networks of neighborhood banks dedicated to local economic development and of so-called boot camps designed to "instill discipline, boost self-esteem and teach respect for law" among ex-convicted young offenders. Several of those proposals have their roots in initiatives already at work in Chicago and surrounding Cook County. The county sheriff's office, for one, has selected Mount Carmel structures to train the staff for a boot camp that is planned to open within 18 months to accommodate up to 1,200 first offenders at a time.

Activism. The proposed to establish neighborhood development banks as economically strapped communities have even deeper roots in Chicago. The prototype for the idea, Clinton said during the campaign, is an unconventional institution based in an abandoned three-story building 15 km south of Calumet-Green. For almost 19 years, the South Shore Bank has operated profitably as a hybrid philosophy of social activism and fiduciary conservatism. It accepts deposits like any other commercial bank, but people that most other banks would refuse as bad credit risks.

The bank's mutual practices reflect goals that 10 advocates, several of them churches and private philanthropies, set for it when they took over the failing institution in 1973. In contrast to what executive vice-president Mary Houghton described as "profit-maximizing banks, which gravitate to the largest possible [and] the highest-profit noncommittal," the South Shore Bank's business mandate specifies that its goals include the economic development of the 50,000 people who live in the neighborhood it serves. Most of the bank's

lending—it had \$490 million in loans outstanding at the end of last year—has been to homeowners in the largely African-American community who, according to the U.S. Federal Reserve Board, are twice as likely as white applicants to be turned down for mortgages by non-traditional banks.

The bank's neighborhood has benefited visibly. In striking contrast to the rubble-strewn vacant lots of some other poor Chicago neighborhoods, the tree-lined streets surrounding the



Evictions at Calumet-Green bank loans and boot camps

South Shore Bank are lined with well-kept three- and four-story brick apartment buildings, many of them refurbished with funds borrowed from the bank. Just down the street, a fully shopping mall, also built with bank investment, anchors the area's retail businesses. Said Peter Payne, a former reserve mortgage manager, who sought help from the bank to buy and rehabilitate several area apartment buildings: "Other banks were looking for reasons not to do something. At South Shore, they were looking for reasons to do something."

Clinton's interest in the bank's mutual philosophy dates back eight years when Jay Perry, a former college roommate of his wife,

Hillary, paid a Thanksgiving visit to the Adams-on-governor's mansion. Perry, who had worked on development problems in Bangladesh and Thailand, was wrapping a job offer from the South Shore Bank. Coincidentally, the bank had developed a plan to try to replicate its Chicago success in rural Arkansas. Perry helped select the Clinton's site, and in 1988 a banking company modeled on the South Shore Bank acquired the Elk Horn Bank of Arkadelphia, a small town about 100 km southwest of Little Rock. Hillary Clinton became a director.

Difficulties. The Elk Horn Bank's success record, however, undercuts the difficulties that Clinton's administration faces not unlike to solve America's urban problems. Although the bank has prospered, president George Surprenet acknowledges that some of its attempts to match the South Shore Bank's success "just didn't translate well." In particular, the one bank has failed to find many qualified lenders for the "inner-loans," as Surprenet describes them, that it wants to make to budding, small-scale rural entrepreneurs.

Other difficulties await the Democrats should they attempt to enact their ambitious program for urban revival. The most obvious is money: many of their promises are certain to be costly. Complicating the political equation for Clinton is the fact that much of the money that must be spent to restore the largely black inner cities must be raised from mostly white suburban taxpayers. Many analysts say that the white majority is not particularly willing to pay for programs directed mainly at members of the minority race. Said Chicago-based oral historian and author, Studs Terkel, who published a book earlier this year examining Americans' attitudes to race: "The white people haven't a clue, not a clue, as to how black people feel."

At the same time, little of what Clinton has proposed is likely to show results in time to benefit his administration when it seeks a second term in 1996. Said Houghton of her bank's 1996: "The most obvious is money."

"These are all long-term programs. There are not four-year or even eight-year payoffs." That may be one reason that Clinton was silent on most of his urban policy proposals when, a week before the election, he outlined his priorities for a first term. Of the policies set out in "Putting People First" for solving America's cities, only the low-and-order proposal to establish boot camps for juvenile offenders found a place on Clinton's list of urgent policies. To simplify, three concerns point to outstanding neglect of America's most troubled communities.

CHRIS WOOD in Chicago



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Rye that's actually made from rye.

CLINTON'S NEW DEAL

AN AMERICAN COUNTERREVOLUTION

Bill Clinton first won the support of disaffected among American voters, then turned that support into a counterrevolution. When he won the presidential election, Clinton, and the millions of voters who put him at the White House, defeated the Reagan revolution in status quo, inaugurated under President George Bush and its guerrilla offshoot led by candidate Ross Perot. Clinton's victory also is a warning to Clinton and other opponents of the real and conservative spring staged in America 12 years ago by then-President Ronald Reagan. That revolution, its British counterpart launched by Margaret Thatcher in 1979 and its Canadian version under Brian Mulroney since 1984, arose from a belief in the benefits of small government and big business. But it was discredited by the business failures that began in the late 1980s and by government ineptness against the recession that is now in its third year. And it has been broken now in the United States by a man who denounces its "incubator" economic philosophy and who promises to cut government and a willing middle class to root out its ineptness and inequity.

These Clinton sales trace the origins of his counterrevolution to the concerns that he heard when he was touring the people's mood before launching his run for the White House. People told him that they were worried about three things: losing their jobs, financing health care and getting a good education for their children. Clinton made those concerns, and policies designed to solve them, the central themes of his campaign. He promised that, in contrast to the prevailing political orthodoxy—higher taxes and reduced services in an obsessive struggle against budget deficits—a Clinton government would play a more active role in providing citizens with "a hand up, not a



The Bushes with dog, Mike, in Kennebunkport: positive government

handout" by cutting taxes, generating jobs in public works projects, expanding health insurance and meeting with education cuts.

The president-elect calls his promise "a new compact" with the people. In his election-night victory speech Clinton used the word "new" 20 times in the 30-minute address, from proclaiming "a new beginning" to his closing reference to "our new partnership for a new country." He even referred to his party, which Clinton had asked out of the grip of clamoring special-interest groups, as "the new Democratic Party."

In fact, Clinton's newest reform recalled an old election victory by an earlier Democrat in remarkably similar circumstances. Sixty years ago, in an election that also produced a third candidate (Socialist Norman Thomas), Franklin D. Roosevelt cut off the presidency of

Republican Herbert Hoover at one term with the promise of "a new deal" for Americans.

Then, in new, following a four-spending decade, the three years leading to the 1932 election were marked by business bankruptcies, bank failures, factory shutdowns and mass unemployment. Hoover had initiated some anti-recession programs, but ineffectively. When he urged state governments to launch public works projects, he added a word of caution that six decades later became a George Bush watchword: the efforts, Hoover said, should be "prudent." American historian Henry Steele Cantriss records that Hoover "shared the common belief that federal spending would prolong the depression by discouraging business investment and creating inflation." The Republican president refused for recovery mainly, and mainly on the basis of big business.

Spending: Like Clinton in 1992, Roosevelt in 1932 campaigned in a manner calculated to avoid charging the conservative middle-class vote with severe assaults on the prevailing economic wisdom. During one major speech, Roosevelt assured Hoover in a speech that was piling up "a deficit so great that it makes us catch our breath." And in effect, he at first acted wisely, concentrating his efforts on restoring the banking system. Soon, however, between 1933 and 1934, the president initiated a flood of New Deal legislation, public projects, social reform—and, specifically, to put the country back to work. As it was being enacted, the New Deal reversed the support of what was to become a new economic orthodoxy, one that prevailed into the 1970s, the argument of British economist John Maynard Keynes that governments could productively spend their way out of a slump.

Hoover, in his first speech of the 1932 campaign, had described the election as "a contest between two philosophies of government," warning that "our opponents are proposing changes and so-called new deals which would destroy the very foundations of American society." That contrast between the philosophies of active or passive government interventions now between 1960 Clinton's promise and the opinion of his opponents, including veterans of the Reagan revolution who retain their seats in Congress and power in the business world. As a result, making good on his promise may well prove to be a historic test for Clinton, one requiring his counterrevolution.

CARL MOLLINS

EATON'S

OPENING THE BANK

**THE CONSUMER
WILL ULTIMATELY
FOOT THE BILL
FOR THE COST OF
CANADA'S LARGEST
FINANCIAL MERGER**

Ronald McKelvey, a veteran accountant who is chairman of the Canada Deposit Insurance Corp. (CDIC), is proud of his latest accomplishment. The partly government expert helped to steer Central Guaranty Trust Co., once the fourth largest trust company in Canada, through the dangerous shoals of bankruptcy and liquidation into the friendly harbor of a merger with the Toronto-Dominion Bank. The deal for Central Guaranty, which has \$11 billion in deposit assets, represents both the largest financial institution failure and the biggest such acquisition ever in Canada. The Toronto-Dominion Bank—breaking its own rule of building rather than buying assets—agreed to pay \$125 million to acquire most of the assets and liabilities of the nearly bankrupt trust company. For McKelvey, who at 68 will retire at the end of this year, it is the successful culmination of an accounting career spent trying to “fix problems, not bury them.”

The deal, however, is far from perfect. It is certain to cause that CMC, the federal agency that guarantees that depositors in failed member financial institutions are reimbursed for their losses up to a maximum of \$60,000, will have to increase its \$1.9-billion debt to the federal government, and that it will continue to be exposed to risk from Central Guaranty, particularly if the economy continues to deteriorate. In addition, the CDIC's member institutions—343 banks and trust companies that are directly responsible for bearing the cost of the failure—can likely expect that their deposit insurance premiums will increase significantly next year. When the bank finally stops, it will be the consumer who pays most of the bill.

Despite those problems, McKelvey told *Maclean's* last week in an interview in his Toronto office that the deal is better than the CDIC's other option, liquidating the trust company. McKelvey said that the task of winding up



CDIC chairman McKelvey: 'Being exposed is not the same as having to pay'

Central Guaranty, the major asset of bankrupted Central Guaranty Trustco, would have been horrendously complex. In addition to creating an nightmare among the trust company's depositors, borrowers and employees, liquidation would have required such massive borrowing by the federal government that financial markets could have been harmed. Even the administrative costs would have been exorbitant. Said McKelvey: “We calculated that the cost of postage stamps alone would have amounted to almost a million dollars.”

Instead, CDIC chose to provide financial support to help the TD Bank acquire Central Guar-

anty. Under terms of the agreement in principle that the TD Bank announced on Oct. 23, the bank will acquire \$9 billion of Central Guaranty's \$11 billion in assets. (In bank accounting terms, assets are primarily loans and liabilities are primarily deposits.) The CDIC will retain the remaining portfolio of \$2 billion in so-called “soft loans”—those which the TD Bank has classified as being less desirable, including a significant number of non-performing commercial real estate loans. In addition, the insurance corporation will provide about complete coverage coverage on \$2.5 billion of the \$6-billion worth of loans that the TD Bank is acquiring

Toronto-Dominion will pay \$125 million and acquire Central Guaranty's 154 branches across Canada, its mutual funds and its Visa credit card business. The bank will also gain Central's \$5-billion personal and pensions trust business. CMC's total net exposure amounts to about \$4.5 billion. McKelvey said that he would not estimate what the corporation's total cost would be, but added, “Obviously, being exposed is not the same as having to pay.”

McKelvey acknowledges that the deal comes

termine until after asset sales are concluded. Still, the CDIC is carrying most of the risk there ever before. “They [the TD Bank] are probably assuming no risk at all, at least very, very little risk,” said McKelvey. “Comments have been made that this is a sweetheart deal, but everybody had an opportunity to bid. The TD Bank proposed the proposal that our board and Central Guaranty and Central Guaranty Trustco (the parent company) thought was the best proposal.” Gordon Capital Corp., a Toronto investment dealer, conducted a tendering process in which more than 40 financial institutions were provided information and invited to make a proposal to acquire Central Guaranty's business.

TD Bank president Robert Korthals, however, disagrees with McKelvey's assessment of how the risk is shared. The bank's position is that although the potential benefits of the deal outweigh the potential risks, it is not risk-free. “There are always risks any time you try to merge two organizations,” said Korthals. “Central Guaranty has \$6 billion to \$7 billion in residential mortgages and we have another \$17 billion. What if the economy gets worse? What happens if people start walking away from their mortgages and giving us the keys to their houses?” In fact, the deal has not been finalized yet and Central Guaranty shareholders still have to vote on it.

Although the CDIC is assuming most of the risk for Central Guaranty's bad loans, it is only a cushion. It relies on two sources for its funds: the federal government provides loans, which are to be paid back eventually by premiums collected from member institutions. The CDIC currently owns the government, which provides the immediate financing at an interest rate slightly higher than the government's cost of funds, \$2.9 billion. The ultimate source of money, however, is the member institutions. They currently pay annual premiums equal to 10 cents for every \$100 in deposits, or a total of \$391 million in 1991.

That is a bargain compared with the cost of deposit insurance in the United States, where financial institutions paid 23 cents for each \$100 in deposits this year. The Federal Deposit Insurance Corporation (FDIC) has debt to the U.S. government for \$12.5 billion for bank failures alone, not including the costs of the U.S. savings and loan debacle. The huge problems of the U.S. banks are also reflected in another comparison: The FDIC has 14,060 employees.

Despite that favorable comparison, the CDIC's biggest contributors, the big banks, still complain about Canada's deposit insurance scheme. Because of their large deposit bases, the big banks pay more than 70 per cent of CDIC premiums, even though they are also the group that has up far the lowest failure rate. The Canadian Bankers' Association is lobbying for the deposit insurance system to be revised. Steven Cooper, vice-president of financial institutions at the association, says that major depositors should share more of the risk in the event of a bank or trust company failure, or that riskier institutions should pay

Business Notes

A MIRROR STORY

McKervey 1-800-888-8888. McKelvey, after appearing for a while in Canada, said that the combined assets would not be able to carry its heavy debt load. Canadian then resumed discussions with its previous lenders, Delta-based American Airlines Inc., as well as a group representing most of its 15,400 employees. And in a controversial move that would sidestep the proposed American deal, the federal agency of Competition Policy asked the Competition Tribunal to allow Canadian to break its contractual obligations to the company-owned recreation system & shares with Air Canada. American has insisted that Canadian join its business reorganization system as a condition for waiving the sought-after licence and a \$250-million cash infusion.

OFFSHOOTING LOSSES

Canadian Pacific Ltd., Canada's fifth largest company in terms of sales, announced plans to slash more than 1,600 jobs throughout North America and to close after it received a \$200-million, three-quarter loss on revenues of \$2 billion. The cuts would bring total job losses to 3,200 since November, 1991, leaving the company with a workforce of 27,000 employees in Canada and the United States.

ISOLATING TRADE WARS

As General Agreement on Tariffs and Trade (GATT) talks continue into their sixth year with an emergency meeting in Geneva this week, the United States imposed a 200-per-cent tariff on wine from France, Germany and Italy. The tariffs, effective on Dec. 5, also apply to other farm goods from the European Community. U.S. Trade Representative Carla Hills said that the duties, which are aimed primarily at the French, are in retaliation for European subsidies of airplanes, which are used in cooking oil. Meanwhile, Trade Minister Michael Wilson expressed fears last week in Toronto that the U.S. measure might put a trade war on a more serious impact on the Canadian economy.

REINFORCING CONTROL

Media here Kenneth Thomson, through Thomson-owned Woodbridge Co., has sold his controlling interest in Canada's alcohol company, giant retailer Hudson's Bay Co., to shareholders at a deal worth \$245 million. Woodbridge's stake as the 322-per-cent stake falls to 25 per cent from 65 per cent, although it will still be the largest single shareholder.

more risk for CDIC than two of its other big bank and trust company failures. In those earlier deals, the corporation transferred \$2.6 billion in Bank of British Columbia assets to the Hongkong Bank of Canada in 1986, and in 1991 wound up Toronto-based Standard Trust Co. in co-operation that transferred most of its \$1.3 billion in assets to the Montreal-based Laurentian Bank of Canada. But these two failed institutions were much smaller than Central Guaranty. Given the problem of Canada's size, McKelvey said that the TD Bank acquisition will certainly be less disruptive to the stability of the country's financial system and it will probably be less costly than a liquidation—a cost difficult to accurately de-

higher premiums commensurate with the greater probability of their failure. Cooper added that the deposit insurance system should be modified to "bail out savers into the system so that institutions are encouraged to manage their risks more conservatively." The current system, he said, "over-provides a safety net that undermines market discipline."

However, changes such as Cooper has proposed would also mean that as a saver for depositors to move their money to those institutions that they perceived to be the safest, the biggest banks and trust companies. As a result, there would be even less competition in an industry that consumer groups already criticize for being less competitive than desirable. The federal government is currently reviewing the entire deposit insurance system, including the question of who should pay for it. Hearings on the issue are scheduled to open before a House of Commons finance subcommittee on Nov. 18.

Whatever the outcome of that debate, however, consumers are still likely to carry the biggest share of the cost of failed institutions. In the case of the Central Guaranty failure, said John Evans, president of the Trust Companies Association of Canada in Ottawa, "Let's not let ourselves, ultimately it's a going to come from the consumer." He added that a reasonable, rough estimate of the final cost to CIBC of the Central Trust failure is between \$500-million and \$1 billion. To pay for that, the association president said, financial institutions will need to increase the interest rates they charge borrowers and reduce the rates they pay savers by something like one-quarter of

one-tenth of one per cent. "It is not a hell of a lot," said Evans. "It is just something that consumers will have to see."

That attitude infuriates consumers. Said David Reinson, executive director of the Consumers' Association of Canada in Ottawa, "It should be the ones who make the decisions who pay. It should be the institutions, not their customers, who pay. Heads should roll, careers should crumble." As for the argument that deposit insurance losses are modest in Canada compared with those in the United States, he said, "Sure, we have gotten away with fewer

financial disasters, but we have also had less competition."

The biggest solution, clearly, would be for more money institutions to fail. After a decade of such failures, McKinlay said that the CIBC, working closely with the Office of the Superintendent of Financial Institutions, the watchdog body that monitors the accounts of the financial institutions for CIBC, has developed a new system that he says that he hopes will greatly reduce the number of failures. Working on McKinlay's premise that "no wall run financial institution has ever failed," CIBC has prepared detailed business standards which member institutions will have to follow. The standards will govern everything from the way real estate appraisals are performed and recorded to credit granting policies. "It is always better to keep a financial institution out of trouble other than having to pull it back from the brink," said McKinlay. "We think that this is a regulatory panning. And I am confident it will go a long way towards preventing those failures from ever happening again." It is an elegant solution. But with institutions that make use of other people's money, even extraordinary remedies may not be enough.

BRENDA DALGLISH



Toronto-Dominion towers big, but not big enough

BREAKING OUT OF A LONG TRADITION

Conventional wisdom used to hold that the affluent, urban population clustered around Toronto made southern Ontario the best market in the country for buying or selling just about anything. But the recession smacked, yet again, just how wrong conventional wisdom can be. Few companies have felt that change of view more sharply than the Toronto-Dominion Bank, with interests heavily concentrated in Ontario. Now, in its proposed purchase of Halifax-based Central Guaranty Trust Co., the bank has not only abandoned a long-standing policy of avoiding acquisitions, but it is also broadening its geographical base by venturing heavily in the Atlantic provinces, one of the poorest regions in the country. But, according to Roy Palmer, a banking analyst with Bantec Wealth Inc. in Montreal, Atlantic Canada is desirable, not spectacular, speculator's haven for the slow-growth economy that is predicted for the 1990s. Says Palmer: "The low-loss rates there tend to be lower than the national average, the clientele is very conservative. The banks do not lose

much money in the Atlantic provinces."

If the TD Bank succeeds with its plans for Central Guaranty, it will be the second time that a virtually bankrupt institution has turned into a money sponsor. In 1986 the Hongkong Bank of Canada paid \$63.5 million to buy the failed Bank of British Columbia, an institution with \$2.6 billion in assets and a loyal local franchise. Since then, and in part because of the acquisition, the Hongkong Bank has soared from obscurity to become the largest foreign-owned bank in the country with assets of more than \$15 billion and profits of \$40.5 million in the first nine months of this year.

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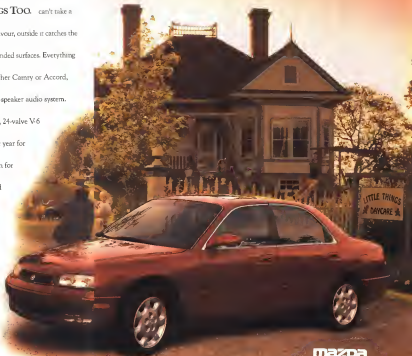
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FOR THE BENEFIT OF SPECIAL OLYMPICS IN CANADA

BUSINESS

The taxman's long arm

An urban tax program sparks a bitter debate

As the president of a mid-sized Toronto real estate firm, Stephen Morais has a unique perspective on recent events in his municipality. Morais is particularly concerned about an assessment last week by Premier Bob Rae's NDP government that it will slow the introduction of a controversial new property tax plan for Metropolitan Toronto, called Market Value Assessment (MVA). Passed on Oct. 29 by MVA's governing council, which represents 2.1 million citizens in Toronto and five suburban municipalities, the new tax scheme is designed to reduce widely different property assessments that have arisen in different areas of Metro Toronto since the last reassessment almost 40 years ago. As a result, if the plan goes ahead on Jan. 1 as scheduled, many homes in the City of Toronto will rise, while, generally, homes in the suburban areas will go down. The tax increases affect Morais personally: at the height of the debate he estimated that on one of his six offices alone his costs could soar by nearly \$21,000 to \$45,350. But Morais said that he is concerned as well about the broader impact that introducing the new tax system could have. "There will be a net migration from the prosperous downtown neighborhoods to areas where the taxes are less severe," he said. "As a result, it will distort the delicate balance of some of Toronto's wonderful communities and neighbourhoods."

Thousands of Toronto taxpayers share Morais's concerns about the tax hike. When it begins, the new scheme will affect everyone from individual homeowners to large industrial property owners. As a result, when Metro council announced in 1989 that it planned to go ahead with MVA, it unleashed a political firestorm that still continues, pitting city dwellers against suburbanites—each accusing the other of failing to carry their fair share of the tax burden.

The debate has raged this fall in other Ontario cities and regions as well. Essentially, each municipality was responsible for its own assessments. But in 1969, the Ontario government passed legislation that required all municipal property assessments to be handled by a provincial body. Then in 1979, the government amended the legislation to allow municipalities to decide whether to be reassessed. Since then, almost 90 per cent of the province's cities, towns and

townships have opted into the system. But some regions have been cautious after approaching the province for an assessment report study, the first step in adopting MVA. After seeing such study results earlier this year and fearful of igniting political fires, councillors like the Niagara and Hamilton Westwinds regions decided against reassessing properties in their jurisdictions.

Their caution may have been justified, given



Elm's a disruptive, rallying cry of "No way, MVA!"

the outcry over MVA in Toronto: to the rallying cry of "No way, MVA!" large groups of protesters stopped traffic in the city on several occasions. Suburban taxpayers claimed that they had been paying two much too long. Protesters on both sides of the issue disrupted local council meetings throughout Metro. At one meeting, security officers dragged Toronto

councillor Steve Ellis from the council chamber after he tried to hand out "Stop MVA" buttons.

Despite the controversy surrounding its introduction in Toronto, municipal governments across Canada—east, indeed, most jurisdictions around the world that follow the British tradition of using property taxes to raise money—use some form of market value assessment. Vancouver, for one, has had MVA since 1977. In its simplest form, MVA is an assessment based on what the property would fetch on the open market. That is relatively easy for assessors to establish in the residential market, where they can use a range of information, including data about the size and style of a house, combined with sales figures for similar houses in similar neighborhoods. Establishing the market value of properties that do not sell frequently—such as malls or woodlands, is more complicated but in those cases assessors include other factors such as replacement costs. Property taxes are derived by multiplying the assessment of a property by the mill rate established by the municipality. The higher the assessment, the higher the taxes.

Bringing fall into an area as diverse as Metro Toronto is a political nightmare. Indeed, to soften the blow of tax hikes, Metro council adopted a compromise version of MVA. Tax increases on residential properties will be limited to 10 per cent, and that tax hike will be phased in over two years. Increases on commercial properties are capped at 25 per cent over three years. After that, taxes will be frozen until 1996, when the whole plan is up for renewal. As a result of these changes, a homeowner with a tax bill of \$2,400 this year, who is due for an increase, will see his taxes rise to \$2,640 by 1994. A homeowner expecting a decrease could, for instance, see his taxes fall to \$2,000 in 1994 from \$2,600.

Some critics, however, say that the irregular tax has served at least one useful purpose: it has forced taxpayers to consider whether they are getting value for their tax dollars, which go towards the cost of such services as police, public transportation and sewers. Peter Oliver, who owns four Toronto restaurants serving Continental-style food, is a member of an ad hoc group that is considering withholding property taxes in protest. Oliver said that the group even includes members from parts of Metro Toronto where taxes are likely to go down. Although some of them recognize that MVA may be better than the existing system, he added, "They want to express their discontent at the constant gasoline tax grab."

In attempting to make an unjust tax system just, Toronto taxpayers may have instead sown the seeds of a tax revolt.

SARAH TUCKERS

A tabloid drama

Douglas Creighton leaves the Sun—unhappily

He resigned over the newspaper that he co-founded in 1973 as though it were his family. But a family feud last week led to Douglas Creighton's abrupt—and forced—resignation as chief executive officer of The Toronto Sun Publishing Corp., the parent of a tabloid newspaper network. After more than 20 years at the helm of The Toronto Sun, and later its sister newspapers in Ottawa, Calgary and Edmonton, along with the Vancouver only, The National Post, the 63-year-old former Toronto Telegram reporter stepped down under pressure from Sun Publishing's board of directors, just 17 months before he said that he would retire. Almost unanimously, employees said that they were deeply saddened by his departure. Said his secretary Christina Young: "Everybody is pretty grief. He touched us with respect and made us a part of everything."

While most of the Sun papers have matched the current recession better than many of their competitors, they have all suffered from the general drop in advertising revenues. The Financial Post and The Ottawa Sun, both launched under Creighton's guidance in 1988,

have losses estimated to be more than \$20 million.

Maxwell Maclean Ltd. (MML) owns 60 per cent of Sun Publishing—and also publishes Maclean's—but maintains a hands-off policy in the Sun's operations. MML president and chief executive officer Ronald Osborne was a member of the Sun's human resources committee, which was responsible for the firing of Creighton's departure, but he was not acting as an executive officer. Added Osborne: "Doug is within the retirement band."

What we're talking about is not in conflict, but the handing over of reins." He acknowledged that the action marked the "beginning of the end of mine, to pretend that everything will be the same without him as it was with him. It is not." But, said Osborne: "This is not a Maxwell Maclean coup." Addressing the staff of

The Toronto Sun after Creighton's departure earlier in the week, he said: "I can't tell you that Doug agrees with the firing. In fact, he disagrees very strongly." Paul Gullies, 53, president of Sun Publishing since 1991, will replace Creighton as CEO.

Known for his free-wheeling style, Creighton—who could not be reached for comment but wrote—established The Toronto Sun with two others after the Telegram folded. He championed programs such as paid subscriptions, and headed out on his own every Christmas. Said *Edmonton Sun* editor-in-chief Paul Stacey: "Doug was kind of hard to understand the degree of personal loyalty to Doug Creighton." That may be why many employees took issue with the circumstances surrounding his departure. Noted Sun Director, Supply Ottawa bureau chief of the Sun newspapers: "We were all expecting him to go—he is 63—but there is some ill feeling about the way it happened." Clearly, Creighton's influence will continue to be felt in the newspapers that he helped to create.

PATRICIA CHISHOLM with correspondents' reports

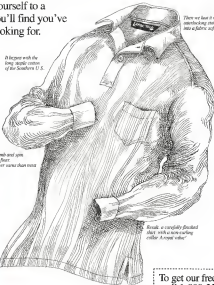


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'I told you I love you—now get out'

BY PETER C. NEWMAN

As strains of the failed referendum vote continue to be extended, one major long-term effect is becoming clear: out of that emotion-laden debate came a hardening of English Canada's attitudes toward Quebec.

Certainly in the western provinces, the rails of the game have changed. The mood of the people, as far as one can determine their feelings about Quebec, seems to be very close to the attitude championed by Reform Party of Canada Leader Preston Manning: indifference bordering on hostility. Even those who in the past have supported the province's aspirations and did their best to support national unity by dipping their tails in French immersion classes, now say flat out that they will not allow Quebec to be the future architect of Confederation.

The mood is harsh and uncompromising, reminiscent of the old Chicago blues song, "I told you I love you—now get out." The overblown message from the West is that Quebec should make up its own mind whether or not it wants to remain in Canada on terms that will not be very different from those offered other provinces—and then either go along with these conditions or decide to leave and begin to negotiate its terms of separation.

That tough, take-it-or-leave-it reaction is far removed from the two-founding nations theory that has up to now characterized French-English negotiations. What the voters, at least in Western Canada, seem to have decided is that every Canadian should have exactly the same legal and constitutional rights as every other Canadian. Whatever goodwill there was for granting "specialness" and "abnormality"—age and status seems to have vanished with the fall leaves. The real message of the referendum was the assertion of power by the majority of Canadians that they no longer trust elected politicians to be their surrogates in the exercise of power.

The Quebec election data back to Brian Mulroney's strategy in the 1984 election that brought him to power. He had grown up in a

The message from the West is that Quebec must decide if it wants to remain in Canada on the same terms as other provinces

province that then seemed permanently in the grip of the Liberal machine that, led by 1984, maintained the party's national power for 43 of the previous 49 years. Mulroney's desire was to replace that coalition with a new one, dominated by his Progressive Conservatives, so that the Tories could also enjoy the long-term benefits of a voting block.

Before 1984, he believed that the only way to build such a permanent majority in Quebec was to negotiate an alliance with the province's establishment, while at the same time trying to wipe their noses (political aspirins) by aligning their aspirations with the goals of his kind of decentralized federalism. In retrospect, he didn't need the astronomical riches he collected to his cause—Louis Bouchard, Marcel Masse and others—because they had shared the political life. He could probably have told most transplanted immigrant Liberals his color at the time, because they were happy for leadership—and disillusioned with Trudeau's intellectual journey.

If Mulroney had chosen to strike a bargain with time-proven intent of the establishment, he would have had a much easier time managing the strains between his Quebec and western constituencies, and been able to enjoy more

rewarding work in prime minister. The crunch came out on referendum day. Set in December, 1984, when Robert Bourassa, then himself trying to stem the tides of revised Quebecois nationalism, passed Bill 138, the detailed language bill that eliminated English on the province's outdoor signs, John Manors, the Queen's University political scientist, has rightly referred to these restrictions as "a scandalous denial of individual rights and an affront to English Canada" and blamed the measure for the failure of Meech Lake.

In a recent speech to Toronto's Canadian Club, General Black took this line of reasoning to its logical conclusion. "In the past 15 years," he said, "Quebec has become, of all important Canadian jurisdictions, the most officially hostile to bilingualism. Quebec has chosen to remain a willing victim and officially to oppress its own minorities more thoroughly than French-Canadians have been oppressed."

According to Black, Bourassa's introduction of the notwithstanding clause to put through his language bill lost the game for anyone trying to promote a community of mutual respect between French and English Canada. He points out that when Brian Mulroney stood up to Parliament and defended the Quebec legislation, "he made a Franklin D. Roosevelt" with Quebec and unwittingly killed Meech Lake. "Either we have a free country or we do not," Black said.

If Quebec's version of federalism is to suppress and render invisible the language of 70 per cent of Canadians and 85 per cent of North Americans, while expecting English-Canadians to continue to pay billions of dollars of real or imagined equalization transfers to Quebec, it won't work. That version won't work and no one should try to make it work.

Black is convinced that the best way to keep Quebec in Confederation is for English Canada to act tough and to make certain its leaders—and voters—understand how high the price of separation would be. He believes that since Quebecers understand that the terms of accession would include permission for every citizen in Quebec to vote on whether or not it wanted to remain in Canada, that significant parts of the province's northern areas (including the sources of much of Quebec's power) would revert to Canada, and that the province as a country would have to assume its full share of the national debt, while also having to renegotiate a trade agreement with the United States—once all these conditions were met, enthusiasm for independence would decline precipitously.

This kind of hardening of attitudes reflects a new reality that will color future constitutional bargaining. The referendum vote will run out to have been decided in favoring the Canada as future, because the majority of Quebecers said that they didn't get enough in the Charlottetown deal while the agreement No vote in Western Canada crashed forever the two founding nations concept as an honorable and reasonable federalism framework.

Canada's constitutional negotiators have always conducted discussions with the notion that this country takes a lot of killing. This time we may have done just that.

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A campus fire storm

Maclean's new ranking ignites a controversy

The second annual Maclean's universities issue, published last week, unleashed a wave of controversy on Canadian campuses, matched only by the flurry of interest at the newsstands. While the magazine's distributors rushed to restock shelves in response to the demand for copies, some university presidents praised the sophistication of the issue's national ranking of 43 institutions. Many critics had faulted last year's first-ever ranking for including all of the institutions in one category. That year Maclean's editors worked for six months with the institutions themselves to choose a ranking system that divided the schools into three categories—15 Medical/Doctoral, 15 Comprehensive and 15 Primarily Undergraduate universities. "What you have done is appropriate and we need more of it," said Douglas Wright, president of the University of Western Ontario, which ranked first in the Comprehensive category. Added Wright: "We need to have more of it to assist those with whom we compete—and the only way we're going to find out is with numbers."

But administrators at universities that did not fare as well in the rankings found serious fault with the methodology. Michael Gervais, rector at the University of Laval, which ranked 14th in the Medical/Doctoral category, called a news conference at which he slammed the ranking as "a bad piece of journalism." And behind the scenes so many campuses, the controversy turned around as administrators ordered reviews of their performance—and in some cases even accused rival universities of tampering with their data to improve their rankings. One university official in Ontario, who requested anonymity because of the sensitivity of the subject, protested that "some of the figures look strange to me." Another



Gervais' accusations of unfairness to Quebec universities

universities in the reporting of the data."

These accusations arose from the better position of reporting that Maclean's used to collect data for the project. The editors distributed a 12-page questionnaire, accompanied by a 19-page "User's Guide" with definitions of all terms. Later they had each president review final data to be used in their ranking from their schools. Because there are no independent

statistical sources for much of the information used in ranking, Maclean's relied heavily on the integrity of these submissions. Noted Georges Lussier, the HEC, Quebec-based statistician who worked for almost a month with Maclean's to formulate the data into rankings: "The ranking can only be as reliable as the data provided by the universities themselves. They're not answer providers."

As with last year's issue, another controversy focused on Quebec. Several universities called news conferences to argue that any comparison with schools outside the province was unfair because of unique constraints noted Quebec. Laval's Gervais accused Maclean's of showing "a lack of interest for francophone universities," many of which ranked low in their categories. He noted that the province uses unique procedures, such as a so-called Z score system, under which applicants are ranked according to where they place relative to the other applicants rather than by a straight letter grade. Gervais also accused Maclean's of giving it a zero grading in categories of the ranking questionnaire, such as class size, in which it did not provide answers.

In fact, Laval was one of the few Quebec universities that did provide a percentage grade, instead of the Z score. In the case of the Universities of Montreal and Sherbrooke (ranked 7th and 11th respectively in the Medical/Doctoral category), which did provide the average Z score of incoming students, Maclean's worked with OMEPQ to convert them to a percentage. Nonetheless, Lussier was then able to compute an accurate average for those schools. And when institutions chose not to report information, such as Laval's "usability" to measure any aspect of class size, Maclean's assigned them the lowest reported score in that category—not a zero.

As the controversy unfolded in Quebec, numerous reviewers in the academic community expressed surprise that angry academics were seemingly distancing themselves from their province's most obvious success. Montreal's internationally acclaimed McGill, with student enrollment that is 21 per cent francophone—making it No. 1 in the Medical/Doctoral category. For his part, McGill principal David Johnston declined to comment on his fellow Quebec administrators'

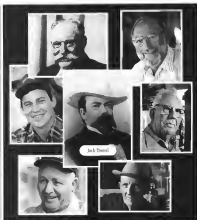
actions. Instead, he expressed delight that Maclean's "devoted 64 pages to the issues of higher education."

Meanwhile, some of the most notorious critics of last year's effort were the same subject. Robin Farquhar, provost of Carleton University in Ottawa, complained bitterly last year when his school placed 44th in a ranking of arts and science programs at 46 Canadian universities. Said Farquhar at the time: "There was shock and disbelief around the campus. It was as close to a kick in the stomach as I have ever had." This year, the provost's response was more favorable after seeing his institution place sixth in the ranked 12 Comprehensive Universities. "People here are considerably relieved to see Carleton rank closer to what they feel about the place," said Farquhar. He said that he remains unconvinced that it is valid "to compare a university as a single number" in a ranking, because each university ranks higher or lower in the various subcategories. Still, he told Maclean's: "Dividing institutions into three groups was a good idea, and I think you put each university into the right group."

Similar approval of the new categories came from Wilfrid Laurier University in Waterloo, Ont., fourth in Primarily Undergraduate after ranking 37th in last year's arts and science list. Said Arthur Stephens, director of institutional relations: "This year, Maclean's managed to balance all the parameters and respect the criticisms." And at the University of British Columbia (third in Medical/Doctoral), provost David Strangway praised another aspect of last year's cover package, of which ranking was only one element. He said that he concluded from the Maclean's/Desima poll on campus life that "Canadian universities are serving the country well under difficult circumstances." Said Strangway: "It is interesting to see that students from across the country are generally pleased with the education they receive."

Still, among the few unfavourable administrative reactions came that at the University of Western Ontario in London, Ont., which complained bitterly about its 10th-place ranking in the Medical/Doctoral category. Writing in a student newspaper, associate professor of economics John Palmer declared: "I'm, quite frankly, puzzled as to how Maclean's could have ranked 1993 only 30th. My own ranking, using weights I consider more appropriate, would place Western about 7th or 8th." But one observer of that campus, Morris Davis Gault, city columnist for London Free Press, said that the ranking after last year's 16th place in the arts and science ranking, is "a healthy shock." Added Davis Gault: "They should take this to heart. The time is over when the universities can take millions of dollars and not be accountable."

And public reaction also shows that there is a healthy appetite for more information about Canadian universities. Maclean's distributors reported brisk sales and were restocking shelves as quickly by week's end, a record 190,000 copies had been delivered to newsstands, where the special issue is to remain on sale for a month.



From greatest to least: Morris Davis Gault, John Palmer, Arthur Stephens, David Johnston, David Strangway, Douglas Wright, Michael Gervais, and Jack Daniel

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The vampire vogue

Dracula strikes it big in the movies



Scene from *Bram Stoker's Dracula* unites sacraments and a tale of blood

I would like to be Dracula like a dark, passionate, erotic demon. About all it's in a line story.
—director Francis Coppola

I am a creature of great evil and passion. How can I enjoy being a vampire as much, how can I enjoy it if it's not? Ah, it's all in the story.
—a vampire named Lestat in *The Tale of the Body Thief*, by Anne Rice

Almost a century has passed since Bram Stoker, an actor's manager hoping to make a name for himself in Victorian London, wrote *Dracula*. Although critics panned the novel when it was published in 1897, its vampire villain would not die like long-running out of his coffin one horror movie after another, leaving a little dignity with each incarnation, and finally sinking to the level of blatherous immortality in a detritus of *Scream Street*. But now the Count has found blood to suckle his name. With *Bram Stoker's Dracula*, American director Francis Coppola has gone back to the source and reinvented the dark prince of the undead as a tragic hero-Operista, comic and vividly exorcising, the

novel is a sexy Gothic romance that both fortifies and overbears Stoker's vision. Its Dracula is a tortured soul on a fantastic mission of vengeance—a godless Godfather making an offer that no woman can refuse.

Coppola's bloodsuck epic arrives at a time when vampires are suddenly in vogue. And much of the credit belongs to U.S. novelist Anne Rice, who has just published *The Tale of the Body Thief*, the fourth novel in her best-selling series, the *Vampire Chronicles* (page 68). Rice has done more than anyone since Stoker to reinvent vampire mythology. Her creatures of the night are much more credible, sympathetic and human than Stoker's villain. And her influence seems to have rubbed off on Coppola's adaptation. His star, Gary Oldman, plays a vampire with vulnerability, and Rice's fiction belies vampire bias. "I got ideas from it," he said during a recent round of *Maclean's* interviews, with the cast and film-makers in New York City. "I didn't know what it's like to be a vampire. Clearly, Anne Rice does. You read those books and say to yourself, 'I believe that there are vampires in the world.'"

Hollywood seems to be going out this way

to create that impression. *Dracula* is one of half a dozen vampire movies being released this year. *Buffy the Vampire Slayer* put the bite on the summer box office with a story of a Valley-Girl with her luck on the line. A female vampire died on a molester in the recent thriller *Amateur* (Rice). British actor John South spends large in the grotesque *Tale of a Vampire*. And *Interview with a Vampire* (Rice) comes tips a female vampire with two new releases. To *Sleep With a Vampire* and *Dracula: A True Story* (Television, Paramount), offers a taste of Vampire Chic with *Interview*, a new CBS-CFVO series adapted by Toronto's *Parque* Entertainment about a blood-sucking cop who is trying to vanquish him from his habit.

Vampire novel is to be fashionable in desperate times. The original *Dracula*, starring Bela Lugosi, was released in 1931 at the height of the Depression. "There's a resurgence in the popularity of vampires when the real world appears to be fading," said James Hott, who scripted the Coppola movie. As the millennium grinds past, the vampire's scary, seductive cocktail of sex and death makes a certain sense. And in the age of AIDS, the idea of kissing someone strikes concern.

Stoker himself was Gothic horror as a way of reaching an audience beyond the confines of the theatre that he managed. "I'm a purist," added the director, "and I thought it would be great to make a *Dracula* based on the original James Stoker. But I wanted something really unusual, something people had not seen before. Otherwise, you're making *Dracula* and people say, 'What are you making *Dracula* for?'"

Coppola's *Dracula* is indeed different. Instead of employing the latest computer effects favored by action directors, he used optical tricks and photographic effects reminiscent of early movies—such as double exposures and variable film speeds. And instead of building costly, realistic sets, he filmed much of the drama in a shadow world of painted backdrops and held lighting. Coppola used his extensive space for the costumes, wearing creations by Japanese designer Yoko Takahashi.

The result is a lovely specimen of the imagination. Looking to what he calls a "retro-budget" of \$60 million, Coppola has mounted a stylish, hyper-theatrical production that combines the sublime spirit of silent-movie melodrama with playful elements to Hollywood box



Ryder (left), Oldman: Gothic romance

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ness. The movie pays homage to early screenings, John Ford westerns, *The Cavalier* and *U2's Rattle and Hum*—Oldman even steals Lugosi's line, "I never drink wine."

The script follows the broad strokes of Stoker's novel. But it gives the ending a shocking twist. And it fleshes out Dracula's conversion to the historical character on which he is based—Vlad the Impaler, the 16th-century Transylvanian. In the movie, Vlad returns from the Crusades to discover that his wife has committed suicide. Mad with rage, he declares war on God and becomes a vampire in an awful sacrament of blood.

Oldman's Dracula has many faces, from the latex-suited ghoul who traps a visiting property developer, Jonathan Harker (James Reaves), in his castle, to the younger gentleman who stalks Harker's fiancée, Mina (Winona Ryder), in London. And Ryder, who also plays Dracula's 15th-century wife, portrays her as a gentle, sexually repressed woman. But it's her more curiously named friend, Lucy (Sister Front), who becomes Dracula's victim, writing naked out of Victorian customs. When Mina herself finally gets bitten, she fears at her bedside a sexual gesture. But it does not come off—her contracted reaction. "I don't do missionary," explained Ryder.

Meanwhile, cutting a sardonic switch through all the high drama, *Anthony Hopkins* provides rich comic relief as the intellectually voracious

Prof. Van Helsing, a vain man who lectures his quarry to wit that he becomes his mirror image. With a slowed, campy performance, Hopkins also, under the movie's title, steals the movie. And Tim Matheson plays his way through an amusing subplot as Dracula's lecherous cousin, Renfield. The cast's only take home is provided by the gorgeously lit *Renaissance*, who looks as if he has stepped out of the set of *Sam and Ted's Wonderful Adventure*.

As the story's movie promoter, Oldman leads the onslaught expected of a vampire, but he is such a fine actor that he makes up for it with nuance. "I didn't see *Dracula* as a horror movie," said Oldman. "I saw it as a love story. It's *Beauty and the Beast*. It's so interesting to play someone who completely feeds off someone else. Blood has its symbolic role, from cycloids, from the maternal cycle—it's a sacred thing."

Despite two bedheadings and a tale of blood that flows like the red wine from Coppola's *Wine Valley* vineyard, *Dracula* is not scary. And the cinema's instant gals have a de-

stressing effect. But *Dracula* is a splendid feast for the eyes, and Coppola has succeeded in giving the Stoker legend a subtle transfusion of New Gothic sensibility.

The director says that he read Rice's cult classic, *Interview with a Vampire* (1986), only after he had embarked on *Dracula*. "I was the custodian of the *Bram Stoker* book," he said, "and I think it was worthwhile to do. But *Interview with a Vampire* is a much greater novel. I thought, 'Gee, this book really makes me feel like a vampire, like I'm in this community.' They drug somebody behind the garbage cans and just start sucking their blood, the drug addicts. My frustration is that the *Interview* book had a more modern take." Coppola, however, said that Rice's sensibility advanced at least one score of his merits—such as *Dracula*'s rejection of victim as the story.

Rice, meanwhile, cites Coppola as a major influence. When she was writing her second vampire novel, *The Vampire Lestat* (1988), she says that she secretly studied Coppola's *Godfather* Part II as it came how to write together different worlds. "I was working Francis Coppola," she says. In fact, the word of him to direct the long-awaited movie version of *Interview with a Vampire*, that his involvement with *Dracula* precluded it. And, after one epic exorcism, into Gothic horror, Coppola seems to have had enough. He is hiring someone else to direct his own production of *Mary Shelley's Frankenstein*, based on another script by James Hart.

Rice has written her own *Frankenstein* movie for Universal, as a remake of the horror classic. But she is still looking for someone to direct. And she says she is still looking for someone to direct. And she says she is still looking for someone to direct.



Oldman: tormented

the door and enormous strict discipline—only black or purple. The place is called the Vampire Sex Club and there is no sign of red vampires in the room. It's a dark, dimly lit room, and blood. But as with most last scenes that are a craving for the dark side, it is the thought that counts.

BRAND D. JOHNSON

Queen of the night

Anne Rice has a literary affair with vampires

She is a victim in black from head to toe, from the severe, black-out hair to the black boots, with the blue-and-gold glint of an Egyptian scarab necklace peeking the only trace of color. Anne Rice, the world's queen of vampire literature, appears to have a firm grip on her image. Last week, during an interview in Toronto, a *Maclean's* photographer offered to lighten the picture with a colored scarf. "No," she said, laughing. "This is the way I am." She took the appearance of her first novel, *Interview with the Vampire*, in 1976, Rice has blossomed from cult writer to literary star. She attracts huge crowds at bookstore signings. And the first North American preview of her new vampire novel, *The Tale of the Body Thief* (Rice's 12th novel, and the fourth in her vampire Chronicles), in her work, the 60-year-old author from New Orleans has rehabilitated the most dreaded race of Gothic folklore and turned them into hip, barroom moderns. First-time fans: the vampire, grating his fangs and an amulet, doctored and regrettably. He wears his amulet, loose-ribs body as both a blessing and a curse. "The vampire," says Rice, "is a highly romantic figure—in the Byronic sense. The flaw, the vampire's progress, lies in the idea of this seductive, preternatural figure walking the night, and craving ecstatic pleasure just as he craves blood, wearing only the best velvet clothes, and wearing red shoes."

Rice treats the vampire as a sexual extravaganza. In fact, under the pseudonym Anne Rampling she has also written erotic novels, while under the pen name A. N. Roark, she has produced pornography—erotic but not-core romances about the seductive vampire (the skin is never broken). But the vampire metaphor gives Rice a license to tell. She imagines giving blood as an act of sublime carnal surrender. In her new novel, a vampire character is "Crushing the back of his head off with my left hand. I drove my teeth through the skin, against young skin of his

neck and caught the first bubbling of blood."

With *The Tale of the Body Thief* Rice renews her favorite vampire hero, the malicious, charismatic Lestat. Serving as narrator, he describes himself as "a man of action, the James Bond of vampires." And that sets the tone for a straightforward narrative with the

high-voltage promise worthy of Hollywood. Lestat switches bodies with a mortal. Based and captured, Lestat is in the throes of an unusual mid-life crisis. He can have everything he wants—except mortality. Plunged with suicide, he tries living in the sun in the Gobi desert. But he suffers only a severe sunburn which turns into a tan. Opportunity knocks, however, when Lestat meets a slinky mortal named Raglan James, who offers to exchange bodies with him for 66 hours. It is like an inversion of the classic deal with the devil.

Lestat sells, or rather inherits, his immortal body in exchange for a brief taste of mortality. But James has no intention of returning it.

Lestat is appalled by the experience of consuming mortal flesh, with all its lousy features. But he eventually discovers simple pleasures such as sex, sunlight—and orange juice. "Thick like blood, but full of sweetness and strength," he describes "apple juice." Meanwhile, the hero resumes his fabled relationship with his old blood brother, Louis. He also relies on a fatherly mortal named David, a researcher into the occult. And he has a romance with a cat, which allows for a rich debate about subterranean versus ego. "The Tale of the Body Thief," says Rice, "is filled with dialogues that I had with myself all the time. I wanted to be a man when I was 13. But another part of me wanted to be a great writer."

The second of four daughters, Rice was raised as a Roman Catholic in New Orleans and educated by nuns. Her parents gave her a boy's name, Howard Allen O'Brien, after her father, a postal worker. She later changed to Anne. And her last name changed in 1983 when she married poet Stan Rice, who she says is the first man she ever loved. They live in a New Orleans mansion with their son, Christopher, 14.

Beyond the dark themes of Rice's books, there is a tale of personal tragedy. Her mother, Katherine, died heart attack death when Rice was 14. And Rice's own daughter, Michele, died of leukemia just before her birth. A blow that drove Rice into alcoholism. Despite this, Rice remains optimistic, a fictional descendant of the blood. Rice says that she faced a Catholic order for her parents. Interview at the Vampire House on Louis. Lestat—and a tragic five-year-old vampire named Claudia.

At first, Rice had difficulty winning acceptance as a serious writer. Despite the success of both later novels as *The Vampire Lestat* (1983) and *The Queen of the Damned* (1988), critics remain divided over her work. "I've done one thing after another that doesn't really make sense," she says, "like pornography, which could have damaged my reputation." Her new novel is neither departure. "I had been rewarded so highly for other books, with so many awards being thrown, revealing great secrets. And I turned away from that to write a simple narrative from the viewpoint of Lestat."

For Rice, this call of "vampire hero" is more than a passing fad. "It is not new," she says. "It takes us back to primitive times when we worshiped dark gods as well as light gods. And it's a powerful metaphor for the occult—and the monster in all of us." According to Gothic folklore, the vampire cannot be seen in a mirror. But Anne Rice has cracked the secret and found a reflection of the times.

BRIAN D. JOHNSON

In proof of the idea I have shown fairly, vegetables, special events, and just plain having around. But I'm especially happy with one sequence of the book done this past summer.

It's of the two of them on an inter tube, being saved below this beautiful old wood island motorboat, at great speed, bouncing across the waves, water spraying everywhere. And the sound! The glorious, deep thrum of the boat, and the happy shrieks and yells of the kids as they hang on for dear life.

A few years ago, I wouldn't even have attempted to record such an event. I would have had to carry a bulky and heavy portable video recorder and a camera, then to go back there and myself to keep them and me in the boat.

This summer's shooting was easy as could be. I hung my camcorder strap around my neck, and away we went.

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LEADS TO YEAR-ROUND FUN

By Don Long

of a car race, an afternoon on the ski slope, a singing around the fireplace—and the list goes on and on.

But they are also perfect for recording those ordinary, around-the-home kinds of shots that you'll be ever so happy you took when you look back at them several years down the road: kids like riding, playing in the sand pile, helping grandma paint the room, mow gardening and dad mowing the lawn, barking the dog, fireworks seen from the kitchen, the anniversary party, the senior prom couple, and so on.

There has never been a better time to buy a camcorder. But which one is right for you? What format? Which brand? What features? In the following pages, answers to these questions, designed to make it easier for you to find just the right camcorder.

Why buy now?

Why is now a good time to buy a camcorder? There are three good reasons.

The first is value. Camcorders always have been good buys. Today, they're even more so. Wrapped up in each camcorder is a level of technology that, a generation ago, would have had us gazing in amazement. Today, we take it for granted.

Once for once, gram for gram, it would be hard to find another piece of

consumer electronics gear that would compare to today's camcorder for technological content combined with ease of use. Today's camcorder is a combination of technology, size and capabilities that is unsurpassed.

The second reason why now is a good time to buy a camcorder is price.



It's points camcorder prices have given about as low as they can go. Improvements in manufacturing cut ineptly, combined with our recent economic problems, have retailers offering highly competitive pricing.

Will prices go up when the economy gets better? Possibly.

But even if prices don't go up, don't's a third—and more important—reason for buying a camcorder today.

If you don't have a camcorder, just imagine the areas of your life that are going to slip away—unrecorded.

Certainly, photographs on the walls, or in an album, help us relive memories. But imagine how much more you will enjoy reliving memories that are almost as real as the real thing—with motion and sound!

Camcorders are about life—everything from the mundane to the monumental.

It's everything from images of grandmothers in the kitchen, to a child's first solo dance in the car, to the winning of the provincial gymnastics championship, from



Rice: the undead as sexual extravaganza

junior's advice for project that actually got done, Mom's wailing apple pie as the fall fell, Dad's winning '31 Chevrolet racecar, so that unforgettable dining vacation at Wheeler, or the surprise wedding anniversary party for your parents. It's life. And, eh, what a mindlessly easy thing it is to capture those moments on tape, when you have a camcorder in your hand.

That's why now—before you miss capturing another moment of life—now is the best time to buy a camcorder.

Camcorders: an introduction

A camcorder is easy to use. All you have to do is aim it on and push the record button, and everything you see in the viewfinder is captured on tape.

It may seem like a complicated piece of consumer electronics, but using a camcorder is a lot like driving a car. You put the key in the ignition, turn the car on, and get it in gear—and away you go.

You don't have to know how the engine works, how the air conditioning system cools the interior, or whether it has a Magpheson 1741 suspension system. With time, and if you want it, you can learn all those things. But you don't have to know the details of the technology to drive the car.

Many camcorders offer sophisticated special effects, different shutter speeds and exposure controls, and a lot of other features to make life long.

You don't have to know anything about those to take great videos.

All camcorders operate fully automatically. The camcorder controls the exposure and the focusing. It does all the technical stuff.

Should you want to experiment, try some new things, then you can switch off "automatic." But if you don't want to, you don't have to—and you'll get great videos.

A camcorder is a lens, body, microphone, viewfinder, and battery. Inside the camcorder's body is a miniature video cir-

cuite recorder (VCR). (Actually, some aren't that miniature: some camcorders while small in size play videos you rent at the local movie store.) The body's exterior has some buttons, switches or knobs that control the camcorder's VCR functions, and some of the recording functions—should you wish to use them.

The viewfinder is usually a miniature TV screen.

When you're recording with the camcorder, the image goes both to the recording tape and to the viewfinder, so you are exactly what you're recording. Sound is captured by the camcorder's built-in microphones and recorded on the tape at the same time as the video image.

All camcorders have zoom lenses permanently attached. This means you have several lenses in one: wide angle, normal, and telephoto. A zoom switch on the camcorder lets you change from wide to telephoto, and

exp. anywhere in between, show a wide picture of what's in front of the camcorder, or zoom in on something far away.

That zoom lens is a junior version of the incredible zoom lenses used by professionals on their very expensive TV cameras. But the camcorder lens has automatic focusing—something the professionals don't have—so the camcorder automatically focuses the picture.

You will use camcorder lenses described as 6X or 8X, for example. This refers to the lens range. The larger the number, the greater the range. The 6X range could be something like 9.54 mm, with the smaller number referring to the wide angle person, and the larger number the telephoto person. The smaller the small number, the wider the angle of view. The larger the large number, the greater the

telephoto effect.

(To confuse matters, some camcorders carry something like a 60X number. In fact, it's a standard zoom lens, but video special effects technology inside the camcorder produces what appears to be an extended telephoto, but it isn't. The image quality drops dramatically, until the image, at 60X, is hardly recognizable. It has a mosaic or pixelated look to it.)

Another number you may see when looking at a camcorder's specifications is its "lux" rating. This refers to the camcorder's ability to record in low light. The lower the lux rating—thus is, the smaller the number—the darker the light conditions it can record in and still produce a decent image. Lux ratings of anywhere from 2 to 7 are common, and there are camcorders that claim a rating of lower than 1.

A lux rating of 1 will let you record in a room lit only by one candle. Now, granted, there won't be a whole lot of color in a room lit by one candle, but your camcorder will faithfully reproduce what is there.

All camcorders are powered by rechargeable batteries. These batteries not only supply power for recording, but also focusing, zooming and special effects, as well as playing back recorded images.

Battery power capacities vary, but the battery that comes with your camcorder will probably last from 45 to 60 minutes on a full charge. If you do a lot of shooting or playing back what you've just recorded, the battery's charge won't last as long. You can get larger batteries for extended recording times.

Camcorders come with battery chargers that double as power supplies for plugging the camcorder into an electrical wall socket. This is especially important for 8 mm camcorders, because you must plug back your recorded images using the camcorder. And, as mentioned above, if you used the battery to do that, it wouldn't last too long. Plug the camcorder into the wall socket instead.

Recently, some camcorders started



■ Flip 8.8 video-cassette recorder P120-SH ■



■ Canon 8 mm Video Camcorder 250 ■



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offering the ability to change shutter speed. While you turn the camcorder on, it automatically sets the standard speed. Depending on which camcorder you buy you can select a shutter speed by its number (1/1000 of a second, for example), or by shooting situation.

In the latter case, a dial on the camcorder body lets you select, for example, the image of a runner, for sports action. This sets a higher shutter speed, to reduce image blur. The higher the shutter speed — and some camcorders offer quite an assortment — the smaller the area that will be in focus.

In effect, the camcorder manufacturers have taken the exposure systems used in today's 35 mm single lens reflex cameras, and transferred the technology to video. But, just as in the case with those 35 mm cameras, you don't have to switch the camcorder off automatic unless you want to.

Answering the format question

Perhaps no question troubles the camcorder shopper more than "Which format is the right one to buy?"

All camcorders do the same thing: they record images on magnetic tape. And all deliver very good quality. There are three different sizes of tape cartridge, and it is the size of the cartridge we're referring to when we say "format." (In fact, format also involves the way the electronic information is put on the tape, but we'll not delve into the technical for this report.)

There are three formats: VHS, VHS-C and 8 mm. And each of these formats also has a "super" version: Super-VHS (S-VHS), Super-VHS-C (S-VHS-C) and Hi8. Sounds just like buying gas for your car: regular and super. Well, there is a similarity: "Super" delivers better performance — at a higher cost.

Regardless of the camcorder you buy, the mechanics are the same. You pop the tape cartridge into the camcorder, push the record button, and away you go. It's in playing back the recording where things change, depending on the format.

All camcorders eye on the market will

play back your recording directly to your TV set. You plug a cable or set of wires into the camcorder; plug the other end into either your TV or VCR, push the Play button on the camcorder, then switch your TV to see what you've captured on tape.

A VHS camcorder also will let you remove the tape you've just recorded and play it back directly on your home video cassette recorder. It's exactly the same tape cartridge. Nothing could be easier or more convenient.

The common VHS tape length is 120 minutes. This will give you two hours of recording time on your camcorder. It's exactly the same tape cartridge (T-120) that you use in your VCR.

If you buy an S-VHS format camcorder, you really should also have both an S-VHS VCR and an S-VHS-compatible TV set for maximum quality. Yes, you can play back through the camcorder, but if you don't have an S-VHS TV, then you won't get the benefits of the camcorder's higher quality images.



■ Minutes
meter
digital ■



Regular VCRs simply can't handle the high performance & c c image captured by a Super-VHS camcorder. If

you do try to play back an S-VHS tape, recorded on your S-VHS camcorder, on your standard VHS VCR, you'll get an almost unrecognizable image on your TV.

To handle the extra performance in S-VHS camcorder delivers you must use an S-VHS tape. This high performance tape is more expensive — three to five times more — than a regular VHS tape.

But, yes, you can use a VHS tape in an S-VHS camcorder, only you will not get the high quality S-VHS performance. And that pretty much defeats the purpose of spending the extra money for the S-VHS camcorder.

If by the way you can use an S-VHS tape in a VHS camcorder or VCR, but you won't record a Super-VHS image. The S-VHS tape will act like a superior grade VHS tape.)

VHS-C camcorders use a smaller tape cartridge about one-third the size of a VHS cartridge. The "C" stands for compact. And



regular VCR

the cartridge is placed inside a special shell that looks quite compact VHS. A lot like a regular VHS tape camcorder. ■ And the shell, carrying the VHS-C cartridge is then placed in your VCR.

And, like its big brother, there are S-VHS-C camcorders. They, too, use a high performance tape.

Until recently the common VHS-C format tape length was 20 minutes (TC-20), but now TC-30 tapes are available, for 30 minutes of recording time. Plus, if not all VHS-C camcorders have a switch that will let you triple the recording time, although the price significantly lowers the quality of the recording. It's the same idea as switching your home VCR from SP to SLP: standard play delivers two hours, SLP delivers six hours or recording time.

The third format is 8 mm, sometimes called Video 8. The high performance version of it is called Hi8.

The 8 mm tape is slightly smaller than a VHS-C tape. A variety of tape lengths is available, ranging up to 164-138, for two hours of recording. The dash with 8 mm is that you can't pop the tape into a VCR for playback; you have to play your recording back on the camcorder itself, or, at most, into a VCR or TV set. That is one reason why most, if not all, 8 mm camcorder offer a wireless remote control — for easier playback.

So, which format should you choose? Well, they all deliver excellent quality, with the "super" variations delivering superior images.

VHS-S-VHS Good points: same tape used in both your VCR and camcorder, so tape recorded on the camcorder can be played back directly on your VCR. This makes for very easy playback. Also, camcorder rests on the shoulder during recording, making for less camera and image

■ AND/OR (MMS) a special shell that looks quite compact VHS. A lot like a regular VHS tape camcorder. ■ And the shell, carrying the VHS-C cartridge is then placed in your VCR.

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ration. Downside, larger tape cartridge, therefore larger and heavier camcorder.

VHS-C/VHS-C Good points: tape is easily played back in your home VCR, using a special cartridge shell. Also, it's small and lightweight. Downside, shorter recording time.

8 mm/Hi8 Good points: small, lightweight, up to two hours recording time. Downside: tape cannot be played back in a home VCR; camcorder must be connected to VCR or TV by cable/connections.

The choice is up to you, depending on what format leaves you cooler to be the most important, coupled with the camcorder features you want most.

What else do you need to know?

As we've noted, a camcorder is a very easy thing to use. Since all of them can operate — and deliver excellent images — when set on "auto," does this mean that you are always going to get great videos?

Well...no.

I've been using video equipment for years, and I still do some dumb things. Like forgetting to stop recording, and ending up with five minutes of great shots of my feet. Or making my audience search by not holding the camcorder steady when shooting with the zoom lens at full telephoto. Or playing the zoom like a trombone — back and forth, back and forth. Or moving the camcorder from side to side so fast it makes my viewers' eyes spin.

If you want to learn — quickly — how to make great home videos, watch TV. You won't see zooming in and out, or fast movements side-to-side. What you'll see are rock steady shots; so the viewer can concentrate on what's happening, not what the camera is doing.

You'll also see different camera angles: shooting over someone's shoulder, shooting from the top of the frame, getting down at a kid's eye level. In addition to those techniques, you could get very creative, for example, you could be pulled along in a wagon, facing backwards, to get great wheel-bright shots of the kid on his bicycle following you.

Good videos are relatively easy to do. Great ones require a little bit more thought. But can you ever see a difference when you do more than just point and shoot?

That's why, after you've become familiar with your new camcorder, you may want to check out what all those buttons on the camcorder do, find out what happens when you focus manually or adjust the exposure yourself.

After all, if you don't like what you've done, just record over your mistakes.

You may also want to check out the incredible wealth of accessories that exist for your camcorder. You can buy accessory lenses — for wider wide angle shots, or longer telephoto images. There are accessory microphones: some attach to the camcorder and stick out further for better sound when making telephoto shots, some are wireless, with a receiver that attaches to the camcorder, and a microphone that attaches to your subject's lapel, for superior sound when your subject is a long way away.

Probably the most important accessory

you can buy, and which can make a significant improvement in the quality of your videos, is a tripod.

Make a sure you buy a tripod with a video head, otherwise known as a fluid head. This allows you to make smooth side-to-side (panning) and tilting movements. Mounting your camcorder on a tripod also makes for rock steady images when you are shooting at maximum telephoto — and it also lets you get in the video! Many of today's camcorders have a wireless remote control for that very thing.

While some of today's camcorders come with a video light, most don't. Do you need one, especially when some of these camcorders are able to record decent images in very low light conditions? Perhaps you don't need a video light if you want your video to look like there wasn't much illumination, or there's a special mood you want to get. However, a video

light will add punch to your colors, make them more vibrant. You don't need a huge light to do that. But if you are trying to light up a whole room, then you'll need a more powerful video light.

Most of today's video lights are battery powered. Some will use the same size and type of battery that's used in your camcorder. Some will get their power from the camcorder, thus reducing your shooting time when used.

A spare battery is a very handy accessory. You can get a battery that is the same size as the one that came with your camcorder, or you can buy a larger one, for longer recording time or for use when you power a video light.

Spare batteries are especially useful when you can't get anywhere near an electrical outlet for an extended time period to charge your battery.

For those of you who want to do



■ Sony Handycam Video 8 ■

something a little more with your videos, there are editing and special effects systems that will let you transform ordinary videos into great ones. Or just the finishing touches on a video: Or add sound effects. Or make better cuts, fades and wipes.

These systems come in all shapes and sizes — and capabilities. Depending on how far into editing you want to go, there are some very sophisticated — and nearly professional — editing systems on the market today.

Dan Lang is a photography and video specialist and has been editor of, or contributor to, leading Canadian photo-video magazines.



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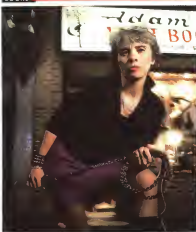
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BOOKS



Playa: unabashed self-promotion, outrageous ideas—and a crush on Liz Taylor

Woman warrior

An author makes a frontal assault on feminism

She is, in her own words, "abusive, accident and obscenity." The product of a traditional Roman Catholic family bred by a strict Boston-American father, she credits gay men with much of her creative inspiration—and proudly transmits her own bisexuality. She calls herself a feminist, but argues many of them by claiming that the supremacy of women has led to "the electoral power of sex." And she takes two hairy bodyguards wherever she goes. Madonna? No, Camille Pinot, one of the National Girl's greatest sinners. As Madonna brings porn into the pop world with a hot new album, Erotica, and a scorching picture book called Sex, Playa is rocking the world of ideas in a controversial book of her own. In Sex, Art and Jewellery Culture (Random House, 327 pages, \$16.95), the professor of humanities at

Philadelphia's University of the Arts discusses the "systemic morbidity and prudery" of mainstream feminism, calls the potential for rape "part of the male of sex," denounces fellow academics as "disgusting, disgusting opportunists"—and leaves no doubt that she is "a true-life, dyed-in-the-wool Madonna fan." Sex, Art is a recent interview: "I regard Madonna as my worst dislike—like her, I'm having a renaissance of every single cultural assumption of the present moment."

Such unabashed self-promotion has combined with Playa's unconventional ideas and aggressive, no-holds-barred posturing, to set heads spinning like first book, Secret Penetration Art and Jewellery From McNeill to Emily Dickinson (1993), a rambling study of Western art and evolution, was both belly and

highly erotic. Still, she waxes with provocative one-liners about the struggle between the relative rigidity of the sexes: "If civilization had been left in female hands," Playa writes, "we would still be living in grass huts." Since then, the once obscure professor has made herself heard everywhere from 60 Minutes to The New York Times, pulling her provocative opinions into the mainstream. "What I'm doing is transgressive," says Playa, in a loud, male-voiced delivery rapidly reminiscent of a machine gun, "and I'm living every minute of it."

Sex, Art and American Culture, her second book, is a new volume, an occasionally exhausting compilation of two years of coped pieces, interviews, book reviews and lectures. It is less convoluted and pretentious than Secret Penetration, but while its accessibility is its greatest strength, it may also be its ultimate weakness. Uncluttered by academic posturing, Playa's observations often come across as self-indulgent or patently ridiculous—"Everyone who preached true love in the Sixties is responsible for AIDS," she declares in a lecture delivered last year at the Massachusetts Institute of Technology. Still, the book's eloquence, down-to-earth tone is bound to win her new fans, even as it provides her critics with the incentive, and the ammunition, to take on a woman who claims she is preaching nothing more or less than "common sense."

Ever since crashing onto the scene with the creation of Women's evolution in Sexual Revolution, Playa has led a frontal assault against traditional feminist thinking. Among her targets have been such high-profile thinkers as author Germaine Greer ("She was apocalyptic, sexy, lithe," writes Playa, "What happened to her?") and social critic, and novelist Susan Sontag ("I feel that Susan Sontag should have been a leader in creating feminism," she writes, "but instead just played this role—whatever the role is that she plays—Miss Madonna in her New York apartment"). As well, she has taken on what she calls feminism's "reactionary and repressive and puritanical and phobic" approach to sex and sexuality. Playa writes that Naomi Wolf's best-selling book, The Beauty Myth, which argues that society's fixation with beauty has rendered women, in "full of paranoid fantasies about the world."

Indeed, Playa says that feminism must come to terms with the power that female beauty bestows, in order for all women to harness it. Elizabeth Taylor—in the words of Playa, Hollywood's "one loving queen"—is a stellar example of "the sexual power that feminism cannot explain and has tried to destroy." Despite most's apparent dominance of government, industry and the family, it is women's beauty that has remained unchanged and destroyed men using Delella and Hella of Troy—who are ultimately in control. Writes Playa: "We need a new kind of feminism, one that stresses personal responsibility and is open to art and to all their dark, unexplored regions."

That insistence on female self-empowerment—a notion that is at the core of modern

lenient (singing—his grappled Paglia into the center of the heated debate over rape laws). According to Paglia, modern feminism evolved around the central notion that women should take complete control of their professional, personal and sexual lives. When females at university campuses around the world fought to establish co-ed university residences and to abolish dormitory curfews in the 1970s, writes Paglia, they unwittingly won a freedom they have yet to come to terms with: "the freedom to risk danger, the freedom to risk rape."

For Paglia, it is the feminist movement itself that is ultimately responsible for placing women in danger of being raped by the men they

seek, a lecture in political science at Acadia University in Wolfville, N.S., has selected his chapters from *Sex, Art and American Culture* to be the reading list in her women's-studies course. "Feminist courses too often become little more than live-in where hard questions are never asked," says Smith. "Paglia is asking some very hard questions—on both sides of the gender divide to make clear after all, what she's really saying is that women should stop acting as victims and take control."

Taking control is precisely what Paglia admires most in Madonna, whose "amazing sexual exuberance," she writes, represents "the full, forceful expression of the woman's ancient love over men." Madonna has declined to contact Paglia, despite the scholar's constant praise of the singer in the media, and Paglia says that the chance of that happening will likely diminish after New York City-based *U.S. magazine* publishes the scholar's review of *Sex* in its Nov. 16 issue. "Sex is a tricky, horrible mess, full of important but completely unacknowledged ideas," says Paglia of the shulkin-banned book that includes graphic pictures of solo-exoticism, lesbian and group sex, as well as such local commentary as "I love looking at Playboy magazine because women look great naked."

According to Paglia, Madonna is afraid of her. "She's always complaining that no one's as strong as she is," says Paglia. "Now she finally hears about a woman who is, but she's such a control freak, she's very nervous about it." She adds that she hopes one day to collaborate with the superstar, and is frustrated that Madonna did not consult her when making *Sex*. "There are a lot of the biggest admirers at the world's leading women intellectual at the present moment," says Paglia, "and does she do anything? I mean, in three hours I could have loaded off a lot of the stupid things that she is to there." Adds Paglia, "She needs me."

Still, although she has had three career relationships with women, and says that she is "like I'm going to end up with a woman," she talks at the notion that she has a crush on Madonna. "I wouldn't call it a crush," says Paglia, "and I don't want to sleep with her." Putting, she adds, "On Ellen DeGeneres, on the other hand, I have

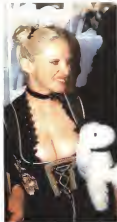
more than what you already know about your own mind."

Although her ideas have led many critics to label her a neoconservative, Paglia insists that she remains "an authentic liberal, a genuine radical, in the true spirit of the Sixties." If her ideas shock, she says, it is because the societies left has become a strong, similar culture that refuses to check its own excesses. "Until the liberals began to critique themselves and to take control of academe and to admit their roots and to move for them," she writes, "the neo-conservatives will continue to flourish, which is not good."

As if to prove that she has no track with the right, she notes that she supports groups ranging from prostitutes to child pornography. "I don't believe in putting children in front of cameras—but drawings, paintings? Not only should all be permitted, they should be encouraged, because what we have here is a taboo, and whenever there is a taboo, I ask, 'Why is there this taboo? Let's explore it.'"

Will these kinds of ideas take Paglia beyond the pole, or will they simply propel her, Madonna-like, to new heights of popularity? Paglia clearly thinks the latter. "What people find emerging about me," she says, "is that I question everything, everything. That was Susan Sontag's obligation. But I caught her chance right now and she can't get back on it. I mean, I'm sorry, I'm wrong in it. Like, like tough and self-assured gap suggests she doesn't, Paganism demonstration that floating the system is sometimes the smart way to win it over."

VICTOR DWYER



Madonna: the singer, Paglia says, "needs me"

date. "Feminism keeps telling women they can do anything, go anywhere, say anything, wear anything," she writes. "No, they can't. Women will always be in sexual danger." She adds: "That's just over-protected people saying they want the world to be a bowl of chlorine. Gums what? It's not cool if never will be."

Such notions have divided female academics. "Are women not supposed to go to parties, not supposed to drink, without taking full responsibility and man taking none?" asks Eleanor MacDonell, a professor of political science at Queen's University in Kingston, Ont. Others say that Paglia may have a point. Heather

a crush."

And Paglia insists that there are many things to keep her busy and the Material Girl goes by a call. While herding academic feminists, she has become a student critic of the influence of so-called publicly correct ideas in university classrooms. Of particular concern, she says, is a new emphasis on so-called minority scholarship, including women's studies, black studies and gay studies, at the expense of a traditional curriculum. "I'm all for studying the history and the archeology of Africa," says Paglia, "but studying a black woman novelist of today? Here's that going to tell you anything

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